

# **AGENDA CITY OF WATSONVILLE CITY COUNCIL MEETING**



***Opportunity Through Diversity; Unity Through Cooperation.***

***Working with our community to create positive impact through service with heart.***

***Mayor Jimmy Dutra, District 6  
Ari Parker Mayor Pro Tempore, District 7***

***Eduardo Montesino, Council Member, District 1  
Aurelio Gonzalez, Council Member, District 2  
Lowell Hurst, Council Member, District 3  
Francisco Estrada, Council Member, District 4  
Rebecca J. Garcia, Council Member, District 5***

***Matthew D. Huffaker, City Manager  
Alan J. Smith, City Attorney  
Beatriz Vázquez Flores, City Clerk***

## **Remote Teleconference Meeting**

***<https://cityofwatsonville-org.zoomgov.com/j/1604661504>***

***Or iPhone one-tap: US: +16692545252,,1604661504# or +16692161590,,1604661504#***

***Or Telephone: US: +1 669 254 5252 or +1 669 216 1590 or +1 646 828 7666***

***Webinar ID: 160 466 1504***

This meeting is being held in accordance with the Brown Act as currently in effect under the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, the Santa Cruz County Health Officer Extended and Modified Shelter in Place Orders, and the Governor's Executive Orders N-25-20 and N-29-20, that allows attendance by members of the City Council, City staff, and the public to participate and the Council to conduct the meeting by teleconference, videoconference, or both.

Meetings are streamed live via the City's website. Meeting are also televised live on Charter Cable Communications Channel 70 and AT&T Channel 99.

**HOW TO VIEW THE MEETING:** There is no physical location from which members of the public may observe the meeting. Please view the meeting which is being televised at Channel 70 (Charter) and Channel 99 (AT&T) and video streamed at <https://www.cityofwatsonville.org/2123/City-Council-Agendas-Minutes>.

**HOW TO PARTICIPATE BEFORE THE MEETING:** Members of the public are encouraged to submit written comments by emailing [citycouncil@cityofwatsonville.org](mailto:citycouncil@cityofwatsonville.org). All comments will be part of the meeting record. Emails received three hours before the meeting may not be uploaded to the Agenda and may not be seen by the Council or staff. They will be added to the agenda the day after the meeting.

**HOW TO PARTICIPATE DURING THE MEETING:** Members of the public are encouraged to join the meeting through Zoom Webinar from their computer, tablet or smartphone at:

***<https://cityofwatsonville-org.zoomgov.com/j/1604661504>***

***Or iPhone one-tap: US: +16692545252,,1604661504# or +16692161590,,1604661504#***

***Or Telephone: US: +1 669 254 5252 or +1 669 216 1590 or +1 646 828 7666***

***Webinar ID: 160 466 1504*** to express their comments.

*For information regarding this agenda, please call the City Clerk's Office at (831) 768-3040.*

## **SPANISH INTERPRETATION AVAILABLE VIA THE ZOOM WEBINAR**

### **Americans with Disabilities Act**

***The Council Chambers is an accessible facility. If you wish to attend a meeting and you will require assistance in order to attend and/or participate, please call the City Clerk's Office at least three (3) business days in advance of the meeting to make arrangements. The City of Watsonville TDD number is (831) 763-4075.***





**AGENDA  
CITY OF WATSONVILLE  
SPECIAL JOINT CITY COUNCIL/PLANNING COMMISSION MEETING**

**Opportunity Through Diversity; Unity Through Cooperation.**

**Tuesday, February 9, 2021, 4:00 p.m.**

**Pages**

- 
1. ROLL CALL
  2. REPORTS TO COUNCIL -- No Action Required
    - 2.a. ETHICS TRAINING (ASSEMBLY BILL 1234) (2 Hours)  

**CITY COUNCIL RESUMES AT 6:30 P.M.**
  3. ROLL CALL
  4. PLEDGE OF ALLEGIANCE
  5. INFORMATION ITEMS
    - 5.a. REPORT OF DISBURSEMENTS 5
    - 5.b. MISCELLANEOUS DOCUMENTS REPORT 74
    - 5.c. WRITTEN REPORTS BY COUNCIL MEMBERS REGARDING ACTIONS  
TAKEN ON THEIR REGIONAL COMMISSIONS/BOARD MEETINGS THAT  
MAY AFFECT THE CITY OF WATSONVILLE (IF ANY) 92  
LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
FEBRUARY 3, 2021 REPORT (Council Member Estrada)
  6. PRESENTATIONS & ORAL COMMUNICATIONS  
This time is set aside for members of the general public to address the Council on any item not on the Council Agenda, which is within the subject matter jurisdiction of the City Council. No action or discussion shall be taken on any item presented except that any Council Member may respond to statements made or questions asked, or may ask questions for clarification. All matters of an administrative nature will be referred to staff. All matters relating to Council will be noted in the minutes and may be scheduled for discussion at a future meeting or referred to staff for clarification and report. ALL SPEAKERS ARE ASKED TO ANNOUNCE THEIR NAME IN ORDER TO OBTAIN AN ACCURATE RECORD FOR THE MINUTES.
    - 6.a. ORAL COMMUNICATIONS FROM THE PUBLIC (2 MINUTES EACH)



|      |   |     |
|------|---|-----|
| 6.b. | ORAL COMMUNICATIONS FROM THE COUNCIL (2 MINUTES EACH)   |     |
| 6.c. | MAYOR'S PROCLAMATION RECOGNIZING QUEEN'S SHOES & MORE<br>MAYOR'S PROCLAMATION RECOGNIZING SINDY HERNANDEZ AND<br>QUEEN'S SHOES & MORE FOR THEIR VALUABLE CONTRIBUTIONS TO<br>THE COMMUNITY AND WISHING THEM CONTINUED SUCCESS IN THE<br>FUTURE  | 95  |
| 7.   | REPORTS TO COUNCIL -- No Action Required  |     |
| 7.a. | CITY MANAGER'S UPDATE REPORT<br>Presentation by City Manager Huffaker   | 96  |
| 7.b. | UPDATE ON CITY'S SOLID WASTE ENTERPRISE<br>Presentation by Public Works & Utilities Director Palmisano, Solid Waste<br>Division Manager Rivera, & Sr. Administrative Analyst Peralta  | 110 |
| 8.   | CONSENT AGENDA<br><i>All items appearing on the Consent Agenda are recommended actions which are<br/>considered to be routine and will be acted upon as one consensus motion. Any items<br/>removed will be considered immediately after the consensus motion. The Mayor will<br/>allow public input prior to the approval of the Consent Agenda.</i><br><br><u>PUBLIC INPUT (2 MINUTES EACH)</u> |     |
| 8.a. | MOTION APPROVING MINUTES OF JANUARY 19, 2021  | 131 |
| 8.b. | JULY 2020 THROUGH SEPTEMBER 2020 INVESTMENT REPORT<br>(Recommended by Administrative Services Director Czerwin)<br>MOTION ACCEPTING JULY 2020 THROUGH SEPTEMBER 2020<br>INVESTMENT REPORT   | 149 |
| 8.c. | OCTOBER 2020 THROUGH DECEMBER 2020 INVESTMENT REPORT<br>(Recommended by Administrative Services Director Czerwin)<br>MOTION ACCEPTING OCTOBER 2020 THROUGH DECEMBER 2020<br>INVESTMENT REPORT   | 157 |
| 8.d. | WATSONVILLE INVESTMENT POLICY FOR CALENDAR YEAR 2021<br>(Recommended by Administrative Services Director Czerwin)<br>RESOLUTION ADOPTING AND CONFIRMING THE CITY OF WATSONVILLE<br>INVESTMENT POLICY FOR CALENDAR YEAR 2021   | 165 |
| 8.e. | RESOLUTION AUTHORIZING BUDGET APPROPRIATIONS (Recommended<br>by Public Works & Utilities Director Palmisano)<br>RESOLUTION AMENDING THE 2020-2021 BUDGET TO APPROPRIATE<br>\$535,000 FROM THE GAS TAX FUND TO SUPPLEMENT OR COMPLEMENT<br>CERTAIN EXISTING PROJECTS IN THE PUBLIC WORKS DEPARTMENT  | 174 |
| 8.f. | AWARD CONTRACT TO OLSON REMCHO FOR REDISTRICTING &<br>DEMOGRAPHIC SERVICES (Recommended by City Clerk Vázquez Flores)   | 178 |

RESOLUTION AWARDING CONTRACT TO OLSON REMCHO, LLP., FOR REDISTRICTING AND DEMOGRAPHIC SERVICES, IN AN AMOUNT NOT TO EXCEED \$116,800; AUTHORIZING A BUDGET APPROPRIATION OF \$76,800 FROM THE GENERAL FUND

- 8.g. **AMENDMENT AGREEMENT WITH COUNTY OF SANTA CRUZ** 207  
(Recommended by Parks & Community Services Director Calubaquib)  
RESOLUTION APPROVING FIRST AMENDMENT TO AGREEMENT WITH COUNTY OF SANTA CRUZ, FOR CHILDREN'S LEARNING AND ENRICHMENT CAMP SERVICES, EXTENDING TERM UNTIL JUNE 30, 2021, INCREASING COMPENSATION TO CITY BY \$133,578 FOR A CUMULATIVE TOTAL NOT TO EXCEED \$240,178
- 8.h. **COMMEMORATIVE FLAGS (Requested by Mayor Pro Tempore Parker)** 212  
RESOLUTION ESTABLISHING A COUNCIL POLICY FOR THE OUTDOOR DISPLAY OF COMMEMORATIVE FLAGS AT THE WATSONVILLE CIVIC PLAZA
- 8.i. **BLACK LIVES MATTER FLAG (Requested by Council Member Gonzalez)** 217  
RESOLUTION AUTHORIZING THE DISPLAY OF THE BLACK LIVES MATTER FLAG AT THE WATSONVILLE CIVIC PLAZA DURING THE MONTH OF FEBRUARY IN COMMEMORATION OF BLACK HISTORY MONTH, IN ACCORDANCE WITH THE COUNCIL POLICY FOR OUTDOOR DISPLAY OF COMMEMORATIVE FLAGS
- 8.j. **POLICY FOR RESPONDING TO LAWSUITS (Recommended by City Attorney Smith)** 221  
RESOLUTION ADOPTING A POLICY FOR RESPONDING TO LAWSUITS
- 8.k. **APPOINTING MEMBER TO LIBRARY BOARD** 225  
RESOLUTION APPOINTING DON BROWN TO THE CITY OF WATSONVILLE BOARD OF LIBRARY TRUSTEES [District 3-Hurst]
- 8.l. **APPOINTING MEMBER TO PERSONNEL COMMISSION** 230  
RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPOINTING KRISTAL SALCIDO TO THE CITY OF WATSONVILLE PERSONNEL COMMISSION [District 3-Hurst]
9. **ITEMS REMOVED FROM CONSENT AGENDA**  
PUBLIC INPUT (2 MINUTES EACH)
10. **PUBLIC HEARINGS, ORDINANCES, & APPEALS**
- 10.a. **CONSIDERATION OF COMPREHENSIVE ANNUAL FINANCIAL REPORT** 235  
(Recommended by Administrative Services Director Czerwin)  
RECEIVE AUDITED FINANCIAL REPORTS FOR FISCAL YEAR 2019-20 & A MID-YEAR FINANCIAL REPORT FOR FY 2020-21
- 1) Staff Report by Administrative Services Director Czerwin
  - 2) City Council Clarifying & Technical Questions
  - 3) Public Hearing
  - 4) Motion Whether to Approve Staff Recommendation

- 5) City Council Deliberation on Motion
- 6) Motion Accepting Comprehensive Financial Report for FY 2019-20
- 7) Motion Accepting the Mid-Year Financial Report for the 2020-21 Fiscal Year
- 8) Motion Accepting Annual Measure G Audit Report for FY 2019-20
- 9) Resolution Amending 2020-2021 Budget to Authorize \$414,665  
Appropriation Into Various Funds

## **11. NEW BUSINESS**

### **11.a. WASHINGTON BUST**

424

#### **CONSIDERATION OF LOCATION OF THE GEORGE WASHINGTON BUST IN THE CITY PLAZA**

- 1) Staff Report by Parks & Community Services Director Calubaquib
- 2) City Council Clarifying & Technical Questions
- 3) Public Input
- 4) Motion Whether to Approve Staff Recommendation
- 5) City Council Deliberation on Motion
- 6) Resolution Authorizing & Directing City Staff to Keep the George  
Washington Bust in Its Current Location in the City Plaza & Add a Bilingual  
Plaque on the Podium of the Bust that Outlines a Broad Historical Perspective  
About George Washington

## **12. EMERGENCY ITEMS ADDED TO AGENDA**

## **13. REQUESTS & SCHEDULING FUTURE AGENDA ITEMS**

## **14. ADJOURNMENT**

Pursuant to Section 54954.2(a)(1) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day and on the City of Watsonville website at <https://www.cityofwatsonville.org/2123/City-Council-Agendas-Minutes>

Materials related to an item on this Agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office (275 Main Street, 4th Floor) during normal business hours.

Such documents are also available on the City of Watsonville website at: <https://www.cityofwatsonville.org/2123/City-Council-Agendas-Minutes> subject to staff's ability to post the document before the meeting.

CITY OF WATSONVILLE  
FINANCE DEPARTMENT  
SUMMARY OF DISBURSEMENTS  
WARRANT REGISTER DATED 1/6/2021 TO 1/19/2021

| FUND<br>NO.                                  | FUND<br>NAME                   | AMOUNT              |
|--|--------------------------------|---------------------|
| 130  | EMPLOYEE CASH DEDUCTIONS FUND  | 707,196.55          |
| 150  | GENERAL FUND                   | 218,264.65          |
| 202  | REDEVELOPMENT OBLIG RETIREMENT | 1,331.79            |
| 205  | COMMUNITY DEV BLOCK GRAANT     | 367.36              |
| 246  | CIVIC CENTER COMMON AREA       | 7,708.20            |
| 250  | LIBRARY FUND                   | 45,140.33           |
| 260  | SPECIAL GRANTS                 | 185,720.77          |
| 281  | PARKS DEVELOPMENT FUND         | 800.00              |
| 291  | CANNABIS REVENUE FUND          | 18,173.23           |
| 305  | GAS TAX                        | 26,480.28           |
| 306  | SB 1-GAS TAX FUNDING           | 223.86              |
| 309  | PARKING GARAGE FUND            | 14,699.94           |
| 310  | SALES TAX MEASURE G            | 17,938.85           |
| 312  | MEASURE D                      | 82,523.86           |
| 340  | CITY-WIDE TRAFFIC IMPACT       | 1,963.75            |
| 344  | IMPACT-EAST HIGHWAY 1 AREA     | 5,144.21            |
| 354  | SPECIAL DISTRICT FUNDS         | 849.00              |
| 710  | SEWER SERVICE FUND             | 191,122.03          |
| 720  | WATER OPERATING FUND           | 659,657.07          |
| 730  | AIRPORT ENTERPRISE FUND        | 53,942.51           |
| 740  | WASTE DISPOSAL FUND            | 62,774.87           |
| 741  | LANDFILL CLOSURE               | 8,330.59            |
| 765  | COMPUTER REPLACEMENT FUND      | 17,753.13           |
| 780  | WORKER'S COMP/LIABILITY FUND   | 26,980.40           |
| 787  | HEALTH INSURANCE FUND POOL     | 23,500.72           |
| 790  | INFORMATION & TECHNOLOGY ISF   | 8,451.92            |
| 820  | NARCOTICS FORFEITURE PENDING   | 494.00              |
| <b>TOTAL</b>                                 |                                | <b>2,387,533.87</b> |
| TOTAL ACCOUNTS PAYABLE 1/6/2021 TO 1/19/2021 |                                | 1,680,337.32        |
| PAYROLL INVOICES                             |                                | 707,196.55          |
| TOTAL OF ALL INVOICES                        |                                | <b>2,387,533.87</b> |

## Check Register

For the Period 12/31/2020 through 1/19/2021

| Fund # | Vendor Name                          | Check # | Invoice Date | Invoice | Invoice Description            | Amount       |
|--------|--------------------------------------|---------|--------------|---------|--------------------------------|--------------|
| 0130   | AFLAC                                | 42121   | 1/15/2021    | 71524   | Payroll Run 1 - Warrant 210115 | \$9,590.21   |
|        | BENEFIT COORDINATORS CORPORATION     | 42122   | 1/15/2021    | 71509   | Payroll Run 1 - Warrant 210115 | \$3,807.01   |
|        | CA STATE DISBURSEMENT UNIT           | 679     | 1/15/2021    | 71526   | Payroll Run 1 - Warrant 210115 | \$3,156.20   |
|        | CINCINNATI LIFE INSURANCE CO         | 42123   | 1/15/2021    | 71523   | Payroll Run 1 - Warrant 210115 | \$45.13      |
|        | CITY EMPLOYEES ASSOCIATION           | 42124   | 1/15/2021    | 71511   | Payroll Run 1 - Warrant 210115 | \$444.00     |
|        | COLONIAL LIFE & ACCIDENT INS         | 42125   | 1/15/2021    | 71512   | Payroll Run 1 - Warrant 210115 | \$198.40     |
|        | COUNTY OF SANTA CRUZ-SHERIFF-CORONER | 42126   | 1/15/2021    | 71513   | Payroll Run 1 - Warrant 210115 | \$604.69     |
|        | ICMA RETIREMENT TRUST 457            | 676     | 1/15/2021    | 71514   | Payroll Run 1 - Warrant 210115 | \$44,455.33  |
|        |                                      | 675     | 1/15/2021    | 71528   | Payroll Run 1 -Warrant210115   | \$1,594.10   |
|        | OPERATING ENGINEERS LOCAL #3         | 42127   | 1/15/2021    | 71515   | Payroll Run 1 - Warrant 210115 | \$5,610.00   |
|        | PRE-PAID LEGAL SERVICES INC.         | 42128   | 1/15/2021    | 71527   | Payroll Run 1 - Warrant 210115 | \$207.20     |
|        | PROF FIRE FIGHTERS-WATSONVILLE       | 42129   | 1/15/2021    | 71516   | Payroll Run 1 - Warrant 210115 | \$2,465.00   |
|        | PUBLIC EMP RETIREMENT SYSTEM         | 674     | 1/15/2021    | 71517   | Payroll Run 1 - Warrant 210115 | \$268,671.11 |
|        | SALLY MCCOLLUM                       | 42130   | 1/15/2021    | 71510   | Payroll Run 1 - Warrant 210115 | \$500.00     |
|        | SEIU LOCAL 521                       | 42132   | 1/15/2021    | 71529   | Payroll Run 1 -Warrant210115   | \$25.00      |
|        |                                      | 42131   | 1/15/2021    | 71518   | Payroll Run 1 - Warrant 210115 | \$1,219.22   |
|        | STATE OF CALIFORNIA TAX BOARD        | 42133   | 1/15/2021    | 71520   | Payroll Run 1 - Warrant 210115 | \$487.13     |
|        | WAGeworks INC                        | 42134   | 1/15/2021    | 71525   | Payroll Run 1 - Warrant 210115 | \$3,908.62   |
|        | WATSONVILLE POLICE ASSOCIATION       | 42135   | 1/15/2021    | 71521   | Payroll Run 1 - Warrant 210115 | \$7,044.00   |
|        | WIRE TRANSFER-IRS                    | 678     | 1/15/2021    | 71522   | Payroll Run 1 - Warrant 210115 | \$294,641.48 |
|        | WIRE TRANSFER-STATE OF CALIFORNIA    | 677     | 1/15/2021    | 71519   | Payroll Run 1 - Warrant 210115 | \$58,522.72  |

| Fund # | Vendor Name                         | Check # | Invoice Date | Invoice                 | Invoice Description                                | Amount       |
|--------|-------------------------------------|---------|--------------|-------------------------|--|--------------|
| 0130   | Fund Total                          |         |              |                         |  | \$707,196.55 |
| 0150   | A TOOL SHED RENTALS, INC.           | 41861   | 1/6/2021     | 1458434-6-FUEL          | GAS GENERATOR RENTAL                               | \$8.00       |
|        |                                     | 41902   | 1/12/2021    | 1468880-6               | SUPPLIES RENTAL                                    | \$74.80      |
|        | ADAMSON POLICE PRODUCTS             | 41905   | 1/12/2021    | INV340306               | PATROL EQUIPMENT                                   | \$1,488.11   |
|        | AIRTEC SERVICE,INC                  | 41909   | 1/12/2021    | 15634                   | INSTALLATION OF CHARCOAL FILTERS AT MULTIPLE LOCAT | \$222.00     |
|        |                                     | 41909   | 1/12/2021    | 15634                   | INSTALLATION OF CHARCOAL FILTERS AT MULTIPLE LOCAT | \$370.00     |
|        | ANASTACIO & SARA LIMONES            | 41862   | 1/6/2021     | NICOLAS DIAZ            | RENTAL ASSISTANCE                                  | \$1,000.00   |
|        | ARTURO ACEVES                       | 41863   | 1/6/2021     | JAIME MELGOZA           | RENTAL ASSISTANCE                                  | \$1,500.00   |
|        | ASSOCIATION OF BAY AREA GOVERNMENTS | 41915   | 1/12/2021    | AR024820                | FY21-LEVELIZED CHARGE-NAT GAS                      | \$528.56     |
|        |                                     | 41915   | 1/12/2021    | AR024820                | FY21-LEVELIZED CHARGE-NAT GAS                      | \$198.21     |
|        |                                     | 41915   | 1/12/2021    | AR024820                | FY21-LEVELIZED CHARGE-NAT GAS                      | \$2,246.38   |
|        |                                     | 41915   | 1/12/2021    | AR024820                | FY21-LEVELIZED CHARGE-NAT GAS                      | \$528.57     |
|        | AT&T                                | 41917   | 1/12/2021    | 138890696<br>12.17.2020 | TV/INTERNET  | \$212.17     |
|        |                                     | 41916   | 1/12/2021    | 292375992 -<br>112420   | Station 1 Cable service 11/25-12/24                | \$172.06     |
|        |                                     | 41916   | 1/12/2021    | 292375992-<br>12/24/20  | Station 1 Cable service 12/25-1/24/21              | \$182.66     |
|        | AT&T-CAL NET 2                      | 41918   | 1/12/2021    | 000015793448            | CALNET CITY BILL FROM 11/24/20-12/23/2020          | \$16.21      |
|        |                                     | 41918   | 1/12/2021    | 000015793448            | CALNET CITY BILL FROM 11/24/20-12/23/2020          | \$940.32     |
|        |                                     | 41918   | 1/12/2021    | 000015793448            | CALNET CITY BILL FROM 11/24/20-12/23/2020          | \$51.62      |
|        |                                     | 41918   | 1/12/2021    | 000015793448            | CALNET CITY BILL FROM 11/24/20-12/23/2020          | \$83.53      |
|        |                                     | 41918   | 1/12/2021    | 000015793448            | CALNET CITY BILL FROM 11/24/20-12/23/2020          | \$16.21      |
|        |                                     | 41918   | 1/12/2021    | 000015793448            | CALNET CITY BILL FROM 11/24/20-12/23/2020          | \$67.25      |



| Fund # | Vendor Name              | Check # | Invoice Date | Invoice             | Invoice Description                              | Amount     |
|--------|--------------------------|---------|--------------|---------------------|--|------------|
| 0150   | AT&T-CAL NET 2           | 41918   | 1/12/2021    | 000015793448        | CALNET CITY BILL FROM 11/24/20-12/23/2020        | \$323.49   |
|        |                          | 41918   | 1/12/2021    | 000015793448        | CALNET CITY BILL FROM 11/24/20-12/23/2020        | \$42.17    |
|        |                          | 41918   | 1/12/2021    | 000015793448        | CALNET CITY BILL FROM 11/24/20-12/23/2020        | \$1,073.78 |
|        |                          | 41918   | 1/12/2021    | 000015793448        | CALNET CITY BILL FROM 11/24/20-12/23/2020        | \$2,405.42 |
|        |                          | 41918   | 1/12/2021    | 000015793448        | CALNET CITY BILL FROM 11/24/20-12/23/2020        | \$22.98    |
|        |                          | 41918   | 1/12/2021    | 000015793423        | PHONE CHARGES FROM 11/24/2020-12/23/2021 FOR PAL | \$66.23    |
|        | BAKER & TAYLOR BOOKS     | 41920   | 1/12/2021    | L4247564-12/31/2020 | BOOKS  | \$586.12   |
|        | BAY AREA POLYGRAPH       | 41921   | 1/12/2021    | 1024                | Polygraph_Tirado                                 | \$300.00   |
|        | BEHAVIORDATA, INC.       | 41925   | 1/12/2021    | 13358               | Psychological Screening_D.Mercurio               | \$300.00   |
|        |                          | 41925   | 1/12/2021    | 13355               | PRE-EMPLOYMENT PSYCHOLOGICAL SCREENING           | \$300.00   |
|        | BEST DOORS INC.          | 41926   | 1/12/2021    | 1153                | Replaced T-51 Trolley operator on Bay Door #1    | \$2,250.00 |
|        | BEWLEY'S CLEANING, INC.  | 41927   | 1/12/2021    | 009652              | JANITORIAL SERVICES                              | \$296.70   |
|        |                          | 41927   | 1/12/2021    | 009655              | JANITORIAL SERVICES                              | \$156.57   |
|        | BIG CREEK LUMBER COMPANY | 41928   | 1/12/2021    | 12/29/2020          | SUPPLIES   | \$9.50     |
|        |                          | 41928   | 1/12/2021    | 12/29/2020          | SUPPLIES   | \$131.09   |
|        | BODY BY HANK             | 41930   | 1/12/2021    | 20225               | PARTS AND LABOR                                  | \$803.47   |
|        |                          | 41930   | 1/12/2021    | 20221               | REPAIRS  | \$2,825.23 |
|        | BOUND TREE MEDICAL LLC   | 41931   | 1/12/2021    | 83848255            | First Aid Supplies                               | \$430.21   |
|        |                          | 41931   | 1/12/2021    | 83872156            | EMS Supplies                                     | \$201.75   |
|        |                          | 41931   | 1/12/2021    | 83688039            | COVID-19 SUPPLIES- N95 MASKS                     | \$1,966.31 |
|        |                          | 41931   | 1/12/2021    | 83872157            | EMS Supplies - Gloves                            | \$1,535.09 |

| Fund # | Vendor Name                             | Check # | Invoice Date | Invoice       | Invoice Description                                | Amount     |
|--------|---|---------|--------------|---------------|--|------------|
| 0150   | BOUND TREE MEDICAL LLC                  | 41931   | 1/12/2021    | 83886365      | EMS Supplies - Respirator Masks, Alcohol wipes, Gl | \$997.37   |
|        | BURTON'S FIRE APPARATUS, INC.           | 41937   | 1/12/2021    | 51023         | PARTS  | \$35.77    |
|        |   | 41937   | 1/12/2021    | 51404         | FRONT PUMP SEAL FOR 4411                           | \$77.44    |
|        |   | 41937   | 1/12/2021    | 50907         | PARTS  | \$94.12    |
|        |   | 41937   | 1/12/2021    | 51076         | PARTS  | \$79.12    |
|        |   | 41937   | 1/12/2021    | 51076         | PARTS  | \$79.12    |
|        | C & N TRACTOR                           | 41938   | 1/12/2021    | 12/30/2020    | SUPPLIES & REPAIR PARTS                            | \$2,080.42 |
|        |   | 41938   | 1/12/2021    | 12/30/2020    | SUPPLIES & REPAIR PARTS                            | \$371.74   |
|        | CASSIDY'S PIZZA                         | 41943   | 1/12/2021    | 4290          | CATERING   | \$145.52   |
|        | CDW GOVERNMENT, INC.                    | 41944   | 1/12/2021    | 5435249       | COMPUTER HARDDRIVES                                | \$580.71   |
|        |   | 41944   | 1/12/2021    | 5666287       | COMPUTER SUPPLIES                                  | \$993.04   |
|        |   | 41944   | 1/12/2021    | 5727050       | COMPUTER SUPPLIES                                  | \$183.80   |
|        |   | 41944   | 1/12/2021    | 5034656       | MONITOR FOR COUNCIL MEETINGS                       | \$520.89   |
|        | CENTRAL COAST AUTOBODY PAINT & SUPPLIES | 41945   | 1/12/2021    | 125598        | Detail spray for apparatus at ST1 and ST2, Scratch | \$107.88   |
|        | CENTRAL COAST LANDSCAPE & MAINTENANCE   | 41946   | 1/12/2021    | 21690         | LANDSCAPE MAINTENANCE                              | \$400.00   |
|        | CHARTER COMMUNICATIONS                  | 41866   | 1/6/2021     | 0002463121520 | TV AND INTERNET SERVICES-ACCT 8203 11 680 0002463  | \$157.59   |
|        |   | 41866   | 1/6/2021     | 0002463121520 | TV AND INTERNET SERVICES-ACCT 8203 11 680 0002463  | \$220.13   |
|        |   | 41866   | 1/6/2021     | 0002463121520 | TV AND INTERNET SERVICES-ACCT 8203 11 680 0002463  | \$30.70    |
|        | CHAZ TOWING                             | 41949   | 1/12/2021    | 73171         | TOW SERVICES                                       | \$216.25   |
|        |   | 41949   | 1/12/2021    | 71149         | TOW SERVICES                                       | \$140.00   |
|        |   | 41949   | 1/12/2021    | 73221         | VEHICLE MAINTENANCE                                | \$54.00    |
|        |   | 41949   | 1/12/2021    | 72369         | TOW SERVICES                                       | \$54.00    |
|        |   | 41949   | 1/12/2021    | 73222         | VEHICLE MAINTENANCE                                | \$54.00    |
|        | CHEVROLET OF WATSONVILLE                | 41950   | 1/12/2021    | 241204        | VEHICLE REPAIR                                     | \$1,331.46 |

| Fund # | Vendor Name              | Check # | Invoice Date | Invoice                  | Invoice Description      | Amount  |
|--------|--------------------------|---------|--------------|--------------------------|--------------------------|---------|
| 0150   | CITY OF WATSONVILLE-CASH | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$14.90 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$75.38 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$40.40 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$15.00 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$11.00 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$28.80 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$20.00 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$29.00 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$2.19  |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$15.86 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$29.06 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$5.46  |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$72.00 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$9.80  |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$72.00 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$43.68 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$96.00 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$50.00 |

| Fund # | Vendor Name              | Check # | Invoice Date | Invoice                  | Invoice Description      | Amount  |
|--------|--------------------------|---------|--------------|--------------------------|--------------------------|---------|
| 0150   | CITY OF WATSONVILLE-CASH | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$28.98 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$50.00 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$24.87 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$55.00 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$9.83  |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$6.95  |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$6.95  |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$6.95  |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$6.95  |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$13.11 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$13.90 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$13.90 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$13.90 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$6.95  |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$6.95  |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$13.95 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$10.93 |
|        |                          | 41953   | 1/12/2021    | PETTY CASH-<br>JANUARY21 | PETTY CASH- JANUARY 2021 | \$6.95  |

| Fund # | Vendor Name                             | Check # | Invoice Date | Invoice              | Invoice Description                               | Amount     |
|--------|---|---------|--------------|----------------------|---|------------|
| 0150   | CITY OF WATSONVILLE-CASH                | 41953   | 1/12/2021    | PETTY CASH-JANUARY21 | PETTY CASH- JANUARY 2021                          | \$4.00     |
|        |   | 41953   | 1/12/2021    | PETTY CASH-JANUARY21 | PETTY CASH- JANUARY 2021                          | \$13.90    |
|        |   | 41953   | 1/12/2021    | PETTY CASH-JANUARY21 | PETTY CASH- JANUARY 2021                          | \$6.95     |
|        |   | 41953   | 1/12/2021    | PETTY CASH-JANUARY21 | PETTY CASH- JANUARY 2021                          | \$13.90    |
|        |   | 41953   | 1/12/2021    | PETTY CASH-JANUARY21 | PETTY CASH- JANUARY 2021                          | \$6.95     |
|        |   | 41953   | 1/12/2021    | PETTY CASH-JANUARY21 | PETTY CASH- JANUARY 2021                          | \$14.41    |
|        |   | 41953   | 1/12/2021    | PETTY CASH-JANUARY21 | PETTY CASH- JANUARY 2021                          | \$19.98    |
|        |   | 41953   | 1/12/2021    | PETTY CASH-JANUARY21 | PETTY CASH- JANUARY 2021                          | \$64.17    |
|        |   | 41953   | 1/12/2021    | PETTY CASH-JANUARY21 | PETTY CASH- JANUARY 2021                          | \$21.23    |
|        |   | 41953   | 1/12/2021    | PETTY CASH-JANUARY21 | PETTY CASH- JANUARY 2021                          | \$14.19    |
|        | COAST PAPER SUPPLY INC                  | 41955   | 1/12/2021    | 598601               | FACE SHIELD                                       | \$48.07    |
|        |   | 41955   | 1/12/2021    | 598603               | SUPPLIES  | \$644.57   |
|        |   | 41955   | 1/12/2021    | 598602               | SOAP DISPENSERS                                   | \$996.36   |
|        | COLEY HEATH, ANITA                      | 41956   | 1/12/2021    | 1010                 | BACKGROUND INVESTIGATION                          | \$550.00   |
|        |   | 41956   | 1/12/2021    | 992                  | CONSULTANT SERVICES                               | \$1,550.00 |
|        | COMMUNITY TREE SERVICE, INC.            | 41958   | 1/12/2021    | 12370                | INV#12370 TREE SERVICING AT PENNSYLVANIA & WILLOW | \$6,900.00 |
|        |   | 41958   | 1/12/2021    | 12262                | INV#12262 TREE SERVICING AT PENNSYLVANIA DR & WIL | \$4,300.00 |
|        | COUNTY OF SANTA CRUZ-CLERK OF THE BOARD | 41959   | 1/12/2021    | PP6                  | FILING FEE FOR NOTICE OF DECISION FOR 320 HARVEST | \$50.00    |
|        | CSG CONSULTANTS, INC                    | 41962   | 1/12/2021    | 33712                | ON-CALL ENGINEERING BUILDING P                    | \$5,067.50 |
|        |   | 41962   | 1/12/2021    | 33712-SERVICE        | ON-CALL ENGINEERING BUILDING P                    | \$57.50    |

| Fund # | Vendor Name                    | Check # | Invoice Date | Invoice      | Invoice Description                                | Amount     |
|--------|--------------------------------|---------|--------------|--------------|--|------------|
| 0150   | CSG CONSULTANTS, INC           | 41962   | 1/12/2021    | 34122        | FIRE PLAN REVIEW/BLDG INSPECT/                     | \$3,825.00 |
|        |                                | 41962   | 1/12/2021    | 34053        | FIRE PLAN REVIEW/BLDG INSPECT/                     | \$2,472.50 |
|        | CSI FORENSIC SUPPLY            | 41963   | 1/12/2021    | 2750         | EVIDENCE SUPPLIES                                  | \$48.87    |
|        | DELL MARKETING L.P.            | 41967   | 1/12/2021    | 10451313066  | DUAL MONITORS FOR FINANCE STAFF & PAYROLL TECH     | \$1,256.04 |
|        |                                | 41967   | 1/12/2021    | 10451072137  | 3 SOUNDBARS FOR FINANCE MONITORS                   | \$95.83    |
|        | DELTA GLASS                    | 41968   | 1/12/2021    | 85282        | ALUM SASH  | \$220.93   |
|        | EDUARDO VALADEZ                | 41971   | 1/12/2021    | #WATSONVILLE | VEHICLE 12   | \$130.80   |
|        |                                | 41971   | 1/12/2021    | 000070       | SERVICE  | \$92.65    |
|        | ELEVATOR SERVICE COMPANY, INC. | 41974   | 1/12/2021    | 31002        | ELEVATOR SERVICE                                   | \$400.00   |
|        |                                | 41974   | 1/12/2021    | 31002        | ELEVATOR SERVICE                                   | \$530.00   |
|        |                                | 41974   | 1/12/2021    | 31002        | ELEVATOR SERVICE                                   | \$200.00   |
|        | ERNESTO'S CLEANING SERVICES    | 41975   | 1/12/2021    | 1023         | Inv#1023, August Facility Cleaning for Ramsay Park | \$1,375.00 |
|        | FARONICS TECHNOLOGIES USA INC. | 41978   | 1/12/2021    | INUS0203909  | COMPUTER LICENSE                                   | \$498.60   |
|        | FASTENAL COMPANY               | 41979   | 1/12/2021    | CAWAT112159  | SUPPLIES   | \$1,073.38 |
|        |                                | 41979   | 1/12/2021    | CAWAT112160  | SUPPLIES   | \$455.14   |
|        |                                | 41979   | 1/12/2021    | CAWAT112039  | SUPPLIES   | \$192.53   |
|        |                                | 41979   | 1/12/2021    | CAWAT112271  | SUPPLIES   | \$41.48    |
|        | FEDEX                          | 41981   | 1/12/2021    | 7-210-55040  | FRT  | \$14.82    |
|        |                                | 41981   | 1/12/2021    | 7-195-33383  | FRT  | \$7.12     |
|        | FIRST ALARM, INC.              | 41984   | 1/12/2021    | 583408       | ALARM SERVICES                                     | \$423.54   |
|        | GALE CENGAGE LEARNING          | 41986   | 1/12/2021    | 72641841     | BOOKS  | \$81.91    |
|        |                                | 41986   | 1/12/2021    | 72693850     | BOOKS  | \$136.98   |
|        |                                | 41986   | 1/12/2021    | 70162314     | BOOKS  | \$80.91    |
|        |                                | 41986   | 1/12/2021    | 70168327     | BOOKS  | \$26.97    |



| Fund # | Vendor Name                         | Check # | Invoice Date | Invoice          | Invoice Description                                 | Amount      |
|--------|-------------------------------------|---------|--------------|------------------|---|-------------|
| 0150   | HINDERLITER, DE LLAMAS & ASSOCIATES | 41991   | 1/12/2021    | SIN005422        | Implementation of cannabis com                      | \$42,500.00 |
|        | HOME DEPOT CREDIT SERVICES          | 41992   | 1/12/2021    | 12/13/2020       | SUPPLIES  | \$123.33    |
|        |                                     | 41992   | 1/12/2021    | 12/13/2020       | SUPPLIES  | \$26.72     |
|        |                                     | 41992   | 1/12/2021    | 12/13/2020       | SUPPLIES  | \$31.62     |
|        |                                     | 41992   | 1/12/2021    | 12/13/2020       | SUPPLIES  | \$113.22    |
|        |                                     | 41992   | 1/12/2021    | 12/13/2020       | SUPPLIES  | \$322.37    |
|        |                                     | 41992   | 1/12/2021    | 12/13/2020       | SUPPLIES  | \$30.31     |
|        |                                     | 41992   | 1/12/2021    | 12/13/2020       | SUPPLIES  | \$183.66    |
|        |                                     | 41992   | 1/12/2021    | 12/13/2020       | SUPPLIES  | \$687.18    |
|        | INNOVATIVE INTERFACES INC.          | 41996   | 1/12/2021    | INV-INC26886     | ANNUAL SUBSCRIPTION - INTEGRATION BETWEEN SIERRA AN | \$2,362.50  |
|        | JACKSON LEWIS PC                    | 41998   | 1/12/2021    | 7681572          | EVALUATIONS TRAINING                                | \$2,500.00  |
|        | JODY RUSO LIVING TRUST              | 41867   | 1/6/2021     | SANDRA FLORES    | RENTAL ASSISTANCE                                   | \$1,500.00  |
|        | JORGE ZARAGOZA                      | 41868   | 1/6/2021     | LILIANA ZARAGOZA | RENTAL ASSISTANCE                                   | \$700.00    |
|        | K & D LANDSCAPING INC.              | 42002   | 1/12/2021    | 109117           | LANDSCAPE MAINTENANCE                               | \$790.00    |
|        | KELLY-MOORE PAINT COMPANY, INC.     | 42004   | 1/12/2021    | 818-00000317946  | PEACE PARK PAINT                                    | \$146.34    |
|        |                                     | 42004   | 1/12/2021    | 818-00000318685  | PAINT AND SUPPLIES                                  | \$56.66     |
|        |                                     | 42004   | 1/12/2021    | 818-00000318450  | PAINT AND SUPPLIES                                  | \$244.72    |
|        | KME FIRE APPARATUS                  | 42007   | 1/12/2021    | ca554244         | Replacement of damaged parts on Apparatus'          | \$337.55    |
|        | L N CURTIS & SONS                   | 42008   | 1/12/2021    | INV442272        | Wildland Coat for BC Goulding                       | \$245.85    |
|        | LARGE'S METAL FABRICATION, INC      | 42009   | 1/12/2021    | 126031           | REPAIRS   | \$413.00    |
|        | MALLORY SAFETY AND SUPPLY, LLC      | 42015   | 1/12/2021    | 4952499          | SCBA flow testing and repairs                       | \$2,614.47  |
|        | MATT STODDARD                       | 42019   | 1/12/2021    | 1/4/2021         | RECERT PARAMEDIC                                    | \$225.00    |
|        | MBS BUSINESS SYSTEMS                | 42020   | 1/12/2021    | 396677           | COPIER CHARGES                                      | \$161.59    |

| Fund # | Vendor Name                               | Check # | Invoice Date | Invoice            | Invoice Description            | Amount     |
|--------|---|---------|--------------|--------------------|--------------------------------|------------|
| 0150   | MID VALLEY SUPPLY                         | 41870   | 1/6/2021     | 11/30/2020         | SUPPLIES                       | \$571.22   |
|        |   | 41870   | 1/6/2021     | 11/30/2020         | SUPPLIES                       | \$1,382.74 |
|        |   | 41870   | 1/6/2021     | 11/30/2020         | SUPPLIES                       | \$52.92    |
|        |   | 41870   | 1/6/2021     | 11/30/2020         | SUPPLIES                       | \$553.03   |
|        |   | 41870   | 1/6/2021     | 11/30/2020         | SUPPLIES                       | \$635.81   |
|        |   | 41870   | 1/6/2021     | 11/30/2020         | SUPPLIES                       | \$25.07    |
|        | MIDWEST TAPE                              | 42024   | 1/12/2021    | 99744041           | BOOKS                          | \$19.62    |
|        |   | 42024   | 1/12/2021    | 99744040           | BOOKS                          | \$60.86    |
|        |   | 42024   | 1/12/2021    | 99744038           | BOOK                           | \$6.26     |
|        |   | 42024   | 1/12/2021    | 99744037           | BOOKS                          | \$182.22   |
|        |   | 42024   | 1/12/2021    | 99744036           | BOOKS                          | \$10.36    |
|        |   | 42024   | 1/12/2021    | 99773301           | BOOKS                          | \$28.91    |
|        |   | 42024   | 1/12/2021    | 99773300           | BOOKS                          | \$10.36    |
|        |   | 42024   | 1/12/2021    | 99720897           | BOOKS                          | \$12.81    |
|        |   | 42024   | 1/12/2021    | 99720896           | BOOKS                          | \$25.96    |
|        |   | 42024   | 1/12/2021    | 99747863           | BOOKS                          | \$43.69    |
|        |   | 42024   | 1/12/2021    | 99720895           | BOOKS                          | \$30.84    |
|        | MISSION LINEN SUPPLY                      | 42025   | 1/12/2021    | 292108-01/04/2021  | UNIFORM RENTAL AND LAUNDRY SER | \$75.40    |
|        | NATIONAL TRUCK SALES & SERVICE            | 42031   | 1/12/2021    | 239270             | Service on 4471                | \$1,589.81 |
|        |   | 42031   | 1/12/2021    | 238218             | SERVICE AND REPAIRS            | \$2,146.47 |
|        | OSUNA AUTO ELECTRIC & SMALL ENGINE REPAIR | 42036   | 1/12/2021    | 40628              | STARTER                        | \$154.61   |
|        | PACIFIC GAS & ELECTRIC                    | 41893   | 1/6/2021     | 9491368495-0-12/21 | ELEC                           | \$2,277.50 |
|        |   | 41893   | 1/6/2021     | 9491368495-0-12/21 | ELEC                           | \$1,006.23 |
|        |   | 41878   | 1/6/2021     | 5740377546-3-12/23 | ELEC                           | \$280.63   |

| Fund # | Vendor Name                    | Check # | Invoice Date | Invoice            | Invoice Description                    | Amount     |
|--------|--------------------------------|---------|--------------|--------------------|--|------------|
| 0150   | PACIFIC GAS & ELECTRIC         | 41883   | 1/6/2021     | 4829825447-4-12/21 | ELEC                                   | \$78.98    |
|        |                                | 41887   | 1/6/2021     | 5060076049-5-12/22 | ELEC                                   | \$1,181.64 |
|        |                                | 41882   | 1/6/2021     | 0458151262-3-12/21 | ELEC                                   | \$453.29   |
|        |                                | 41891   | 1/6/2021     | 1553836670-7-12/07 | GAS & ELEC                             | \$720.74   |
|        |                                | 41891   | 1/6/2021     | 1553836670-7-12/07 | GAS & ELEC                             | \$2,886.41 |
|        |                                | 41891   | 1/6/2021     | 1553836670-7-12/07 | GAS & ELEC                             | \$6,481.01 |
|        |                                | 41891   | 1/6/2021     | 1553836670-7-12/07 | GAS & ELEC                             | \$25.25    |
|        |                                | 42040   | 1/12/2021    | 1553836670-7-1/6   | GAS&ELEC                               | \$729.12   |
|        |                                | 42040   | 1/12/2021    | 1553836670-7-1/6   | GAS&ELEC                               | \$2,537.81 |
|        |                                | 42040   | 1/12/2021    | 1553836670-7-1/6   | GAS&ELEC                               | \$5,504.00 |
|        |                                | 42040   | 1/12/2021    | 1553836670-7-1/6   | GAS&ELEC                               | \$27.86    |
|        |                                | 41875   | 1/6/2021     | 4287605895-1-12/18 | ELEC                                   | \$10.87    |
|        |                                | 41879   | 1/6/2021     | 7624842502-7-12/23 | ELEC                                   | \$350.42   |
|        |                                | 41881   | 1/6/2021     | 8480030300-4-12/20 | ELEC                                   | \$902.03   |
|        | PAJARO VALLEY FABRICATION INC. | 42041   | 1/12/2021    | 28506              | INSTALL 2 LOCK BOXES                   | \$292.08   |
|        | PAJARO VALLEY PRINTING         | 42042   | 1/12/2021    | 41470              | OTR NEWSLETTER- WINTER ISSUE           | \$162.78   |
|        |                                | 42042   | 1/12/2021    | 40872              | POLE BANNERS                           | \$762.57   |
|        |                                | 42042   | 1/12/2021    | 41261              | MONTHLY NEWSLETTER "OUR TOWN" NOV 2020 | \$4,260.75 |
|        |                                | 42042   | 1/12/2021    | 40993              | "OUR TOWN" NEWSLETTER SEPT. 2020       | \$3,539.70 |
|        |                                | 42042   | 1/12/2021    | 40972              | "OUR TOWN" NEWSLETTER SEPT. 2020       | \$4,796.08 |

| Fund # | Vendor Name              | Check # | Invoice Date | Invoice              | Invoice Description                      | Amount     |
|--------|--------------------------|---------|--------------|----------------------|--|------------|
| 0150   | PAJARO VALLEY PRINTING   | 42042   | 1/12/2021    | 40839                | "OUR TOWN" NEWSLETTER AUG. 2020          | \$4,577.58 |
|        | PETERSON                 | 42046   | 1/12/2021    | SW240171654          | Repair the generator at Station 1        | \$735.23   |
|        | PROQUEST LLC             | 42050   | 1/12/2021    | 70653368             | SUBSCRIPTION RENEWAL TO ANCESTRY LIBRARY | \$1,589.95 |
|        | QUENCH USA, INC.         | 42053   | 1/12/2021    | INV02865821          | WATER SERVICE                            | \$65.55    |
|        |                          | 42053   | 1/12/2021    | INV02824928          | SERVICE                                  | \$15.03    |
|        |                          | 42053   | 1/12/2021    | INV02824928          | SERVICE                                  | \$15.03    |
|        |                          | 42053   | 1/12/2021    | INV02824928          | SERVICE                                  | \$15.03    |
|        |                          | 42053   | 1/12/2021    | INV02824928          | SERVICE                                  | \$15.00    |
|        |                          | 42053   | 1/12/2021    | INV02788274          | WATER SERVICE: DEC 2020-FEB 2021         | \$334.32   |
|        | RAIMI + ASSOCIATES, INC. | 42055   | 1/12/2021    | 11/20/2020-OCT PROGR | DOWNTOWN SPECIFIC PLAN, EIR &            | \$941.77   |
|        |                          | 42055   | 1/12/2021    | 11/20/2020-OCT PROGR | DOWNTOWN SPECIFIC PLAN, EIR &            | \$5,371.36 |
|        | RECORDED BOOKS, INC.     | 42057   | 1/12/2021    | 76717316             | LIBRARY MEDIA                            | \$170.43   |
|        | REGISTER PAJARONIAN      | 42060   | 1/12/2021    | 15523                | AD                                       | \$109.16   |
|        |                          | 42060   | 1/12/2021    | 14561                | AD                                       | \$197.64   |
|        |                          | 42060   | 1/12/2021    | 14186                | AD                                       | \$128.99   |
|        |                          | 42060   | 1/12/2021    | 14334                | PUBLIC HEARING-GROVE ST                  | \$228.55   |
|        |                          | 42060   | 1/12/2021    | 14562                | AD PUBLIC MEETING                        | \$89.54    |
|        | RICOH USA, INC           | 41895   | 1/6/2021     | 5061070093           | COPIER CHARGES                           | \$85.91    |
|        |                          | 41895   | 1/6/2021     | 5061070093           | COPIER CHARGES                           | \$85.92    |
|        |                          | 41895   | 1/6/2021     | 5061070093           | COPIER CHARGES                           | \$85.91    |
|        |                          | 41895   | 1/6/2021     | 5061070093           | COPIER CHARGES                           | \$156.52   |
|        |                          | 41895   | 1/6/2021     | 5061070093           | COPIER CHARGES                           | \$86.05    |
|        |                          | 41895   | 1/6/2021     | 5061070093           | COPIER CHARGES                           | \$85.94    |
|        |                          | 41895   | 1/6/2021     | 5061070093           | COPIER CHARGES                           | \$57.89    |

| Fund # | Vendor Name                               | Check # | Invoice Date | Invoice         | Invoice Description                      | Amount     |
|--------|---|---------|--------------|-----------------|--|------------|
| 0150   | RICOH USA, INC                            | 41895   | 1/6/2021     | 5061070093      | COPIER CHARGES                           | \$57.89    |
|        |   | 41895   | 1/6/2021     | 5061070093      | COPIER CHARGES                           | \$38.59    |
|        |   | 41895   | 1/6/2021     | 5061070093      | COPIER CHARGES                           | \$38.57    |
|        |   | 42116   | 1/13/2021    | 5061099744      | COPIER EXP                               | \$9.39     |
|        |   | 42116   | 1/13/2021    | 5061099744      | COPIER EXP                               | \$9.39     |
|        |   | 42116   | 1/13/2021    | 5061099744      | COPIER EXP                               | \$6.26     |
|        |   | 42116   | 1/13/2021    | 5061099744      | COPIER EXP                               | \$6.27     |
|        |   | 42116   | 1/13/2021    | 5061099809      | COPIER CHARGES                           | \$17.33    |
|        |   | 42116   | 1/13/2021    | 5061099809      | COPIER CHARGES                           | \$138.06   |
|        |   | 42116   | 1/13/2021    | 5061099809      | COPIER CHARGES                           | \$446.81   |
|        |   | 42116   | 1/13/2021    | 5061099809      | COPIER CHARGES                           | \$22.34    |
|        |   | 42116   | 1/13/2021    | 5061099809      | COPIER CHARGES                           | \$47.01    |
|        |   | 42116   | 1/13/2021    | 5061099809      | COPIER CHARGES                           | \$47.01    |
|        |   | 42116   | 1/13/2021    | 5061099809      | COPIER CHARGES                           | \$31.34    |
|        |   | 42116   | 1/13/2021    | 5061099809      | COPIER CHARGES                           | \$31.31    |
|        |   | 42116   | 1/13/2021    | 5061099372      | COPIER CHARGES                           | \$42.19    |
|        |   | 42063   | 1/12/2021    | 104489575       | COPIER                                   | \$1,201.12 |
|        | ROBERT KAY KATZ                           | 41896   | 1/6/2021     | MARTHA NICHOLLS | RENTAL ASSISTANCE                        | \$1,500.00 |
|        | SANTA CRUZ COUNTY FIRE CHIEFS ASSOC       | 42070   | 1/12/2021    | WTS2021DUES     | FIRE CHIEFS ASSOCIATION DUES FOR FY20/21 | \$300.00   |
|        | SANTA CRUZ COUNTY LAW ENFORCEMENT CHIEF'S | 42071   | 1/12/2021    | SCCLECA_2021    | 2021 MEMBERSHIP                          | \$50.00    |
|        | SENTRY ALARM SYSTEM                       | 42074   | 1/12/2021    | 2154485         | ALARM SERVICE                            | \$262.50   |
|        | SHERWIN WILLIAMS                          | 42077   | 1/12/2021    | 5737-7          | PAINT AND SUPPLIES                       | \$952.98   |
|        |   | 42077   | 1/12/2021    | 5780-7          | PAINTING SUPPLIES                        | \$24.94    |
|        | SLOAN SAKAI YEUNG & WONG LLP              | 42079   | 1/12/2021    | 44796           | IAFF ARBITRATION                         | \$6,479.00 |

| Fund # | Vendor Name                       | Check # | Invoice Date | Invoice         | Invoice Description                               | Amount     |
|--------|-----------------------------------|---------|--------------|-----------------|---|------------|
| 0150   | SPRINT                            | 42080   | 1/12/2021    | 550592226-212   | FIRE DEPT CELLULAR CHARGES FROM 11/26/20-12/25/20 | \$26.88    |
|        | STAPLES CREDIT PLAN               | 42081   | 1/12/2021    | 12/28/2020      | SUPPLIES  | \$285.77   |
|        |                                   | 42081   | 1/12/2021    | 12/28/2020      | SUPPLIES  | \$43.13    |
|        |                                   | 42081   | 1/12/2021    | 12/28/2020      | SUPPLIES  | \$94.25    |
|        |                                   | 42081   | 1/12/2021    | 12/28/2020      | SUPPLIES  | \$59.99    |
|        |                                   | 42081   | 1/12/2021    | 12/28/2020      | SUPPLIES  | \$63.34    |
|        |                                   | 42081   | 1/12/2021    | 12/28/2020      | SUPPLIES  | \$222.85   |
|        | SUPERIOR ALARM COMPANY            | 42083   | 1/12/2021    | 155559          | ALARM SERVICE                                     | \$79.50    |
|        | SYNCB/AMAZON                      | 42086   | 1/12/2021    | AMA 010521      | BOOK  | \$17.24    |
|        | TERRA X PEST SERVICE, INC.        | 42089   | 1/12/2021    | 37818           | Cockroack removal - ST1                           | \$540.00   |
|        | THE PINES APARTMENTS              | 41898   | 1/6/2021     | YESICA PASOS    | RENTAL ASSISTANCE                                 | \$1,500.00 |
|        | TORIUMI'S AUTO REPAIR             | 42093   | 1/12/2021    | 91863           | STARTER CLICKS                                    | \$116.00   |
|        | TRI-COUNTY FIRE PROTECTION INC    | 42095   | 1/12/2021    | 54239           | MAINTENANCE AT SENIOR CENTER                      | \$66.00    |
|        | U S BANK CORPORATE PAYMENT SYSTEM | 41899   | 1/6/2021     | 9464-11/23/2020 | PART TO REPAIR PRESSURE WASHER                    | \$14.19    |
|        |                                   | 41899   | 1/6/2021     | 9464-11/23/2020 | LIGHT BULBS & FIXTURES FOR PARKS OPS              | \$207.19   |
|        |                                   | 41899   | 1/6/2021     | 9464-11/23/2020 | PART FOR BOILER/ HEATER- BLDG MAINT.              | \$1,392.64 |
|        |                                   | 41899   | 1/6/2021     | 9464-11/23/2020 | CITY HALL OPENERS- COST SHARED                    | \$1,603.03 |
|        | UPS STORE                         | 42097   | 1/12/2021    | 12/31/2020      | SHIPPING AND LIVESCAN SERVICES                    | \$33.57    |
|        |                                   | 42097   | 1/12/2021    | 12/31/2020      | SHIPPING AND LIVESCAN SERVICES                    | \$148.00   |
|        | V & V MANUFACTURING, INC.         | 42098   | 1/12/2021    | 51936           | BADGE   | \$37.35    |
|        | VERDE DESIGN, INC.                | 42099   | 1/12/2021    | 11-1915100      | Consultant  | \$781.20   |
|        | VERIZON WIRELESS                  | 42100   | 1/12/2021    | 9869705201      | CELL & DATA CHARGES FOR CITY FR 11/23/20-12/22/20 | \$266.07   |
|        |                                   | 42100   | 1/12/2021    | 9869705201      | CELL & DATA CHARGES FOR CITY FR 11/23/20-12/22/20 | \$38.01    |



| Fund # | Vendor Name             | Check # | Invoice Date | Invoice           | Invoice Description                               | Amount     |
|--------|-------------------------|---------|--------------|-------------------|---|------------|
| 0150   | VERIZON WIRELESS        | 42100   | 1/12/2021    | 9869705201        | CELL & DATA CHARGES FOR CITY FR 11/23/20-12/22/20 | \$582.98   |
|        |                         | 42100   | 1/12/2021    | 9869705201        | CELL & DATA CHARGES FOR CITY FR 11/23/20-12/22/20 | \$1,035.41 |
|        |                         | 42100   | 1/12/2021    | 9869705201        | CELL & DATA CHARGES FOR CITY FR 11/23/20-12/22/20 | \$438.40   |
|        |                         | 42100   | 1/12/2021    | 9869705201        | CELL & DATA CHARGES FOR CITY FR 11/23/20-12/22/20 | \$28.70    |
|        |                         | 42100   | 1/12/2021    | 9869705201        | CELL & DATA CHARGES FOR CITY FR 11/23/20-12/22/20 | \$30.46    |
|        |                         | 42100   | 1/12/2021    | 9869705201        | CELL & DATA CHARGES FOR CITY FR 11/23/20-12/22/20 | \$651.14   |
|        |                         | 42100   | 1/12/2021    | 9869705201        | CELL & DATA CHARGES FOR CITY FR 11/23/20-12/22/20 | \$30.95    |
|        |                         | 42100   | 1/12/2021    | 9869711809        | CELL & DATA CHARGES FOR PW FROM 11/23/20-12/22/20 | \$154.94   |
|        |                         | 42100   | 1/12/2021    | 9869711809        | CELL & DATA CHARGES FOR PW FROM 11/23/20-12/22/20 | \$9.34     |
|        |                         | 42100   | 1/12/2021    | 9869711809        | CELL & DATA CHARGES FOR PW FROM 11/23/20-12/22/20 | \$56.17    |
|        | VERIZON WIRELESS-VSAT   | 42101   | 1/12/2021    | 20289588-34937264 | GPS   | \$50.00    |
|        | WANDA HERNANDEZ         | 41901   | 1/6/2021     | MARIA GARCIA      | RENTAL ASSISTANCE                                 | \$1,500.00 |
|        | WELLINGTON LAW OFFICES  | 42103   | 1/12/2021    | 25590             | CODE ENFORCEMENT AT 595 AIRPOR                    | \$672.00   |
|        | WEX BANK                | 42119   | 1/13/2021    | 69495686          | FUEL PURCHASES                                    | \$200.42   |
|        | WORK WELL MEDICAL GROUP | 42107   | 1/12/2021    | 231906            | EAP SERVICES                                      | \$45.00    |
|        |                         | 42107   | 1/12/2021    | 231906            | EAP SERVICES                                      | \$18.25    |
|        |                         | 42107   | 1/12/2021    | 231906            | EAP SERVICES                                      | \$124.00   |
|        |                         | 42107   | 1/12/2021    | 231906            | EAP SERVICES                                      | \$121.00   |
|        |                         | 42107   | 1/12/2021    | 231906            | EAP SERVICES                                      | \$264.00   |
|        |                         | 42107   | 1/12/2021    | 231906            | EAP SERVICES                                      | \$212.00   |
|        |                         | 42107   | 1/12/2021    | 231906            | EAP SERVICES                                      | \$205.00   |

| Fund # | Vendor Name             | Check # | Invoice Date | Invoice | Invoice Description | Amount   |
|--------|-------------------------|---------|--------------|---------|---------------------|----------|
| 0150   | WORK WELL MEDICAL GROUP | 42107   | 1/12/2021    | 231906  | EAP SERVICES        | \$625.00 |
|        |                         | 42107   | 1/12/2021    | 231906  | EAP SERVICES        | \$19.78  |
|        |                         | 42107   | 1/12/2021    | 231906  | EAP SERVICES        | \$49.46  |
|        |                         | 42107   | 1/12/2021    | 231906  | EAP SERVICES        | \$39.57  |
|        |                         | 42107   | 1/12/2021    | 231907  | EAP SERVICES        | \$45.00  |
|        |                         | 42107   | 1/12/2021    | 231907  | EAP SERVICES        | \$18.25  |
|        |                         | 42107   | 1/12/2021    | 231907  | EAP SERVICES        | \$124.00 |
|        |                         | 42107   | 1/12/2021    | 231907  | EAP SERVICES        | \$121.00 |
|        |                         | 42107   | 1/12/2021    | 231907  | EAP SERVICES        | \$264.00 |
|        |                         | 42107   | 1/12/2021    | 231907  | EAP SERVICES        | \$212.00 |
|        |                         | 42107   | 1/12/2021    | 231907  | EAP SERVICES        | \$205.00 |
|        |                         | 42107   | 1/12/2021    | 231907  | EAP SERVICES        | \$625.00 |
|        |                         | 42107   | 1/12/2021    | 231907  | EAP SERVICES        | \$19.78  |
|        |                         | 42107   | 1/12/2021    | 231907  | EAP SERVICES        | \$49.46  |
|        |                         | 42107   | 1/12/2021    | 231907  | EAP SERVICES        | \$39.57  |
|        |                         | 42107   | 1/12/2021    | 231908  | EAP SERVICES        | \$45.00  |
|        |                         | 42107   | 1/12/2021    | 231908  | EAP SERVICES        | \$18.25  |
|        |                         | 42107   | 1/12/2021    | 231908  | EAP SERVICES        | \$124.00 |
|        |                         | 42107   | 1/12/2021    | 231908  | EAP SERVICES        | \$121.00 |
|        |                         | 42107   | 1/12/2021    | 231908  | EAP SERVICES        | \$264.00 |
|        |                         | 42107   | 1/12/2021    | 231908  | EAP SERVICES        | \$212.00 |
|        |                         | 42107   | 1/12/2021    | 231908  | EAP SERVICES        | \$205.00 |
|        |                         | 42107   | 1/12/2021    | 231908  | EAP SERVICES        | \$625.00 |
|        |                         | 42107   | 1/12/2021    | 231908  | EAP SERVICES        | \$19.78  |
|        |                         | 42107   | 1/12/2021    | 231908  | EAP SERVICES        | \$49.46  |
|        |                         | 42107   | 1/12/2021    | 231908  | EAP SERVICES        | \$39.57  |

| Fund # | Vendor Name                                  | Check # | Invoice Date | Invoice              | Invoice Description                                | Amount       |
|--------|--|---------|--------------|----------------------|--|--------------|
| 0150   | Fund Total                                   |         |              |                      |  | \$218,264.65 |
| 0202   | AT&T-CAL NET 2                               | 41918   | 1/12/2021    | 000015793448         | CALNET CITY BILL FROM 11/24/20-12/23/2020          | \$60.72      |
|        | BURKE, WILLIAMS & SORENSEN, LLP              | 41936   | 1/12/2021    | 262207               | 262207 PROFESSIONAL SERVICES                       | \$1,170.00   |
|        | RICOH USA, INC                               | 41895   | 1/6/2021     | 5061070093           | COPIER CHARGES                                     | \$85.91      |
|        |  | 42116   | 1/13/2021    | 5061099809           | COPIER CHARGES                                     | \$15.16      |
|        | Fund Total                                   |         |              |                      |  | \$1,331.79   |
| 0205   | MIGUEL & LIDIA CAMARGO                       | 41871   | 1/6/2021     | loan #1273-310 River | LOAN OVERPAYMENT                                   | \$158.21     |
|        | REGISTER PAJARONIAN                          | 42060   | 1/12/2021    | 15075                | CDBG CAPER   | \$209.15     |
|        | Fund Total                                   |         |              |                      |  | \$367.36     |
| 0246   | AIRTEC SERVICE,INC                           | 41909   | 1/12/2021    | 15634                | INSTALLATION OF CHARCOAL FILTERS AT MULTIPLE LOCAT | \$5,248.20   |
|        | K & D LANDSCAPING INC.                       | 42002   | 1/12/2021    | 129963               | LANDSCAPE MAINT JAN 2021                           | \$1,515.00   |
|        |  | 42002   | 1/12/2021    | 109117               | LANDSCAPE MAINTENANCE                              | \$681.00     |
|        | SUPERIOR ALARM COMPANY                       | 42083   | 1/12/2021    | 155997               | ALARM MONITORING                                   | \$264.00     |
|        | Fund Total                                   |         |              |                      |  | \$7,708.20   |
| 0250   | COUNTY OF SANTA CRUZ LIBRARY OF JOINT POWERS | 41960   | 1/12/2021    | 01/2021-WATS         | MAINTENANCE OF EFFORT CONTRIB. FY20/21             | \$45,140.33  |
|        | Fund Total                                   |         |              |                      |  | \$45,140.33  |
| 0260   | CITY OF WATSONVILLE-CASH                     | 41953   | 1/12/2021    | PETTY CASH-JANUARY21 | PETTY CASH- JANUARY 2021                           | \$21.83      |
|        |  | 41953   | 1/12/2021    | PETTY CASH-JANUARY21 | PETTY CASH- JANUARY 2021                           | \$38.18      |
|        |  | 41953   | 1/12/2021    | PETTY CASH-JANUARY21 | PETTY CASH- JANUARY 2021                           | \$38.18      |
|        |  | 41953   | 1/12/2021    | PETTY CASH-JANUARY21 | PETTY CASH- JANUARY 2021                           | \$93.94      |
|        |  | 41953   | 1/12/2021    | PETTY CASH-JANUARY21 | PETTY CASH- JANUARY 2021                           | \$96.69      |

| Fund # | Vendor Name                      | Check # | Invoice Date | Invoice              | Invoice Description                      | Amount       |
|--------|----------------------------------|---------|--------------|----------------------|--|--------------|
| 0260   | CITY OF WATSONVILLE-CASH         | 41953   | 1/12/2021    | PETTY CASH-JANUARY21 | PETTY CASH- JANUARY 2021                 | \$29.78      |
|        |                                  | 41953   | 1/12/2021    | PETTY CASH-JANUARY21 | PETTY CASH- JANUARY 2021                 | \$43.65      |
|        |                                  | 41953   | 1/12/2021    | PETTY CASH-JANUARY21 | PETTY CASH- JANUARY 2021                 | \$66.26      |
|        | GRANITE ROCK COMPANY             | 41987   | 1/12/2021    | 993715               | OHLONE PKWY TO SLOUGH TRAIL PR           | \$180,302.40 |
|        | HARRIS & ASSOCIATES INC.         | 41990   | 1/12/2021    | 46925                | DESIGN PROPOSAL FOR RAIL TRAIL           | \$3,327.50   |
|        | LEXIS NEXIS RISK DATA MANAGEMENT | 42012   | 1/12/2021    | 1382615-20201231     | LAW ENFORCEMENT DATABASE                 | \$1,620.68   |
|        | SAVE MART SUPERMARKET            | 42072   | 1/12/2021    | 216092449            | SUPPLIES                                 | \$41.68      |
|        | Fund Total                       |         |              |                      |  | \$185,720.77 |
| 0281   | CITY OF WATSONVILLE-CASH         | 41953   | 1/12/2021    | PETTY CASH-JANUARY21 | PETTY CASH- JANUARY 2021                 | \$50.00      |
|        | PACIFIC CREST ENGINEERING, INC.  | 42037   | 1/12/2021    | 9092                 | PROFESSIONAL SERVICES- RAMSAY PUMP TRACK | \$750.00     |
|        | Fund Total                       |         |              |                      |  | \$800.00     |
| 0291   | CENTRAL ELECTRIC                 | 42109   | 1/13/2021    | 12/31/2020           | ELEC REPAIRS & SUPPLIES                  | \$909.67     |
|        | HOME DEPOT CREDIT SERVICES       | 41992   | 1/12/2021    | 12/13/2020           | SUPPLIES                                 | \$185.76     |
|        | K & D LANDSCAPING INC.           | 42002   | 1/12/2021    | 119439               | LANDSCAPE MAINTENANCE FOR NOV. 2020      | \$1,285.00   |
|        | LEHR                             | 42010   | 1/12/2021    | SI54928              | VEHICLE ADD ONS                          | \$15,792.80  |
|        | Fund Total                       |         |              |                      |  | \$18,173.23  |
| 0305   | BEAR ELECTRICAL SOLUTIONS INC.   | 41923   | 1/12/2021    | 11761                | ANNUAL TRAFFIC SIGNAL MAINTENA           | \$4,530.00   |
|        |                                  | 41923   | 1/12/2021    | 11835                | ANNUAL TRAFFIC SIGNAL MAINTENA           | \$4,175.00   |
|        | BIG CREEK LUMBER COMPANY         | 41928   | 1/12/2021    | 12/29/2020           | SUPPLIES                                 | \$24.95      |
|        | HOME DEPOT CREDIT SERVICES       | 41992   | 1/12/2021    | 12/13/2020           | SUPPLIES                                 | \$95.99      |
|        | MISSION LINEN SUPPLY             | 42025   | 1/12/2021    | 292105-12/31/2020    | UNIFORM RENTAL AND LAUNDRY SER           | \$188.80     |
|        | PACIFIC GAS & ELECTRIC           | 41873   | 1/6/2021     | 0909726970-9-12/15   | ELEC                                     | \$10,647.93  |

| Fund # | Vendor Name                             | Check # | Invoice Date | Invoice            | Invoice Description                                | Amount      |
|--------|---|---------|--------------|--------------------|--|-------------|
| 0305   | PACIFIC GAS & ELECTRIC                  | 41874   | 1/6/2021     | 1039376060-7-12/18 | ELEC   | \$118.28    |
|        |   | 41876   | 1/6/2021     | 7294900587-9-12/18 | ELEC   | \$363.26    |
|        |   | 41889   | 1/6/2021     | 6771895322-6-12/22 | ELEC   | \$557.30    |
|        |   | 41890   | 1/6/2021     | 0581861689-7-12/22 | ELEC   | \$55.82     |
|        |   | 41891   | 1/6/2021     | 1553836670-7-12/07 | GAS & ELEC   | \$2,258.66  |
|        |   | 42040   | 1/12/2021    | 1553836670-7-1/6   | GAS&ELEC   | \$2,070.44  |
|        | STATEWIDE TRAFFIC SAFETY AND SIGNS INC. | 42082   | 1/12/2021    | 05031936           | INV#05031936 CONE SIGNS, POSTS & STD DUTY BASES    | \$1,393.85  |
|        | Fund Total                              |         |              |                    |  | \$26,480.28 |
| 0306   | GRANITE ROCK COMPANY                    | 41987   | 1/12/2021    | 1280039            | INV#1280039 JOB NAME: OHLONE W.BEACH EROSION 6"STA | \$13.66     |
|        |   | 41987   | 1/12/2021    | 1277835            | INV#1277835 JOB NAME:OHLONE W.BEACH EROSION 6" STA | \$210.20    |
|        | Fund Total                              |         |              |                    |  | \$223.86    |
| 0309   | AT&T-CAL NET 2                          | 41918   | 1/12/2021    | 000015793448       | CALNET CITY BILL FROM 11/24/20-12/23/2020          | \$717.82    |
|        | CRUZIO/THE INTERNET STORE INC.          | 41961   | 1/12/2021    | B29135-171         | DSL CHARGES FOR CIVICPLAZA                         | \$75.05     |
|        | ELEVATOR SERVICE COMPANY, INC.          | 41974   | 1/12/2021    | 30798              | ELEVATOR SERVICES                                  | \$525.00    |
|        |   | 41974   | 1/12/2021    | 31002              | ELEVATOR SERVICE                                   | \$400.00    |
|        |   | 41974   | 1/12/2021    | 31002              | ELEVATOR SERVICE                                   | \$520.00    |
|        | FIRST ALARM, INC.                       | 41984   | 1/12/2021    | 578554             | SERVICE  | \$343.56    |
|        | PACIFIC GAS & ELECTRIC                  | 41888   | 1/6/2021     | 3370611625-9-12/22 | ELEC   | \$2,280.43  |
|        |   | 41891   | 1/6/2021     | 1553836670-7-12/07 | GAS & ELEC   | \$4,479.94  |
|        |   | 42040   | 1/12/2021    | 1553836670-7-1/6   | GAS&ELEC   | \$4,479.94  |
|        | SENTRY ALARM SYSTEM                     | 42074   | 1/12/2021    | 2154485            | ALARM SERVICE                                      | \$90.00     |

| Fund # | Vendor Name                                       | Check # | Invoice Date | Invoice         | Invoice Description                                | Amount      |
|--------|---|---------|--------------|-----------------|--|-------------|
| 0309   | SENTRY ALARM SYSTEM                               | 42074   | 1/12/2021    | 2154485         | ALARM SERVICE                                      | \$87.00     |
|        | VENTEK INTERNATIONAL                              | 41900   | 1/6/2021     | 124886          | RENTAL FEE   | \$701.20    |
|        | Fund Total  |         |              |                 |  | \$14,699.94 |
| 0310   | ADVANTAGE GEAR, INC                               | 41906   | 1/12/2021    | 37393-1         | Uniforms per MOU - 1st Biannual order              | \$168.21    |
|        |   | 41906   | 1/12/2021    | 37619-1         | Remaining items for Bi-Annual MOU Required Uniform | \$151.17    |
|        | CALIFORNIA DEPARTMENT OF TAX & FEE ADMINISTRATION | 41940   | 1/12/2021    | 443581663       | LETTER ID:L0009175269- CONSUMER USE TAX            | \$3,650.85  |
|        | EDUARDO VALADEZ                                   | 41971   | 1/12/2021    | 000071          | REMOTE START MODULE                                | \$2,179.91  |
|        | FEDERAL EASTERN INTERNATIONAL LLC                 | 41980   | 1/12/2021    | 520600          | HELMETS FOR SRT                                    | \$6,093.38  |
|        | LA SELVA  | 41869   | 1/6/2021     | 5911            | TREE REMOVAL                                       | \$1,400.00  |
|        | LEXIS NEXIS RISK SOLUTIONS FL INC.                | 42013   | 1/12/2021    | 805914-20201130 | DORS   | \$708.33    |
|        |   | 42013   | 1/12/2021    | 805914-20201231 | DORS   | \$708.33    |
|        | NATIONAL TESTING NETWORK, INC.                    | 42030   | 1/12/2021    | 7791            | Recruitment Services                               | \$500.00    |
|        | VERIZON WIRELESS                                  | 42100   | 1/12/2021    | 9869705201      | CELL & DATA CHARGES FOR CITY FR 11/23/20-12/22/20  | \$2,378.67  |
|        | Fund Total  |         |              |                 |  | \$17,938.85 |
| 0312   | ALBION ENVIRONMENTAL, INC.- NATURAL AND           | 41910   | 1/12/2021    | 20200470102     | PROFESSIONAL SERVICES                              | \$325.53    |
|        | HARRIS & ASSOCIATES INC.                          | 41990   | 1/12/2021    | 46811           | ENVIRONMENTAL CONSULT SERVICES                     | \$46,141.48 |
|        | MESITI-MILLER ENGINEERING, INC.                   | 42022   | 1/12/2021    | 112029          | LEE ROAD TRAIL 65% DESIGN                          | \$21,150.40 |
|        |   | 42022   | 1/12/2021    | 112028          | LEE ROAD TRAIL 65% DESIGN                          | \$7,000.00  |
|        |   | 42022   | 1/12/2021    | 112030          | LEE ROAD TRAIL 65% DESIGN                          | \$2,065.25  |
|        |   | 42022   | 1/12/2021    | 112025          | LEE ROAD TRAIL 65% DESIGN                          | \$3,013.70  |
|        | PACIFIC CREST ENGINEERING, INC.                   | 42037   | 1/12/2021    | 9094            | PROFESSIONAL SERVICES-WATSONVILLE RAIL TRAIL SEG.  | \$2,827.50  |
|        | Fund Total  |         |              |                 |  | \$82,523.86 |



| Fund # | Vendor Name                     | Check # | Invoice Date | Invoice            | Invoice Description                               | Amount     |
|--------|---------------------------------|---------|--------------|--------------------|---|------------|
| 0340   | PACIFIC CREST ENGINEERING, INC. | 42037   | 1/12/2021    | 9072               | PROFESSIONAL SERVICES- WEST BEACH AND OHLONE PKWY | \$1,963.75 |
|        | Fund Total                      |         |              |                    |   | \$1,963.75 |
| 0344   | ECOLOGY ACTION OF SANTA CRUZ    | 41970   | 1/12/2021    | 67370              | GRANT APPLICATION FOR TRANSPOR                    | \$5,144.21 |
|        | Fund Total                      |         |              |                    |   | \$5,144.21 |
| 0354   | K & D LANDSCAPING INC.          | 42002   | 1/12/2021    | 119437             | LANDSCAPE MAINTENANCE FOR NOV. 2020               | \$849.00   |
|        | Fund Total                      |         |              |                    |   | \$849.00   |
| 0710   | AIRTEC SERVICE, INC             | 41909   | 1/12/2021    | 15631              | SERVICE LABOR                                     | \$1,064.00 |
|        | ALBERTSONS/SAFEWAY              | 42108   | 1/13/2021    | 803695-101320-2840 | SUPPLIES  | \$73.45    |
|        | ALS ENVIRONMENTAL               | 41911   | 1/12/2021    | 36-54-530807-0     | SERVICE   | \$200.00   |
|        | AMERICAN MESSAGING              | 41912   | 1/12/2021    | M7023652VA         | PAGER CHARGES FOR WASTEWATER DEPT                 | \$38.62    |
|        | APPLIED INDUSTRIAL TECHNOLOGIES | 41914   | 1/12/2021    | 7020512702         | PARTS   | \$995.10   |
|        |                                 | 41914   | 1/12/2021    | 7020503906         | PARTS   | \$103.04   |
|        | AT&T-CAL NET 2                  | 41918   | 1/12/2021    | 000015793448       | CALNET CITY BILL FROM 11/24/20-12/23/2020         | \$96.72    |
|        |                                 | 41918   | 1/12/2021    | 000015793448       | CALNET CITY BILL FROM 11/24/20-12/23/2020         | \$266.60   |
|        | BAY POWER INC                   | 41922   | 1/12/2021    | INV1-10717         | MAIN SWITCH GEAR                                  | \$2,949.75 |
|        | BEECHER ENGINEERING, INC.       | 41924   | 1/12/2021    | 1220-66            | PRE-DESIGN STUDY OF THE WWTP E                    | \$3,200.00 |
|        |                                 | 41924   | 1/12/2021    | 1220-67            | PRE-DESIGN STUDY OF THE WWTP E                    | \$400.00   |
|        | BEWLEY'S CLEANING, INC.         | 41927   | 1/12/2021    | 009655             | JANITORIAL SERVICES                               | \$114.95   |
|        | BME INC                         | 41929   | 1/12/2021    | 3627               | ANNUAL MAINTENANCE FOR CO-GENE                    | \$396.38   |
|        | BOWMAN & WILLIAMS, INC.         | 41932   | 1/12/2021    | 15101              | CONSULTING SURVEYOR SERVICES                      | \$2,565.00 |
|        | BUCKLES-SMITH ELECTRIC          | 41935   | 1/12/2021    | 3221080-00         | OUTPUT FILTER                                     | \$896.79   |

| Fund # | Vendor Name                               | Check # | Invoice Date | Invoice                | Invoice Description                                   | Amount      |
|--------|---|---------|--------------|------------------------|---|-------------|
| 0710   | CALCON SYSTEMS, INC                       | 41939   | 1/12/2021    | 47542                  | ON-CALL SCADA   | \$5,908.66  |
|        | CAROLLO ENGINEERS, INC.                   | 41942   | 1/12/2021    | 0190492                | SOLIDS THICKENING EVALUATION A                        | \$16,756.00 |
|        |   | 41942   | 1/12/2021    | 0191750                | SOLIDS THICKENING EVALUATION A                        | \$7,518.00  |
|        | CENTRAL ELECTRIC                          | 42109   | 1/13/2021    | 12/31/2020             | ELEC REPAIRS & SUPPLIES                               | \$30.70     |
|        | CERVANTEZ, JOSEPH                         | 41947   | 1/12/2021    | WW 3 CERTIF.<br>REIMB. | PW- WASTEWATER III<br>CERTIFICATION RENEWAL REIMB.    | \$150.00    |
|        | D&G SANITATION                            | 41964   | 1/12/2021    | 277046                 | SERVICES  | \$223.96    |
|        | FASTENAL COMPANY                          | 41979   | 1/12/2021    | CAWAT112224            | SUPPLIES  | \$60.09     |
|        | FEDEX                                     | 41981   | 1/12/2021    | 7-217-36869            | FRT   | \$29.86     |
|        | FISHER SCIENTIFIC                         | 41985   | 1/12/2021    | 5611723                | LAB SUPPLIES  | \$7.26      |
|        | GREEN TOUCH                               | 41988   | 1/12/2021    | 770                    | LANDSCAPING MAINTENANCE                               | \$840.00    |
|        | HARRIS & ASSOCIATES INC.                  | 41990   | 1/12/2021    | 47035                  | ON-CALL DESIGN AND<br>CONSTRUCTIO                     | \$12,146.11 |
|        | HOME DEPOT CREDIT SERVICES                | 41992   | 1/12/2021    | 12/13/2020             | SUPPLIES  | \$138.76    |
|        |   | 41992   | 1/12/2021    | 12/13/2020             | SUPPLIES  | \$89.81     |
|        | INFOSEND, INC.                            | 41995   | 1/12/2021    | 181549                 | THE SCOOP OCT. 2020                                   | \$1,736.25  |
|        | KEMIRA WATER SOLUTIONS, INC.              | 42005   | 1/12/2021    | 9017698608             | WWTF FERRIC CHLORIDE SUPPLY                           | \$9,860.03  |
|        | KIMBALL MIDWEST                           | 42006   | 1/12/2021    | 8458884                | TOOLS   | \$2,593.64  |
|        |   | 42006   | 1/12/2021    | 8503504                | SUPPLIES- EDGE SCRAPER                                | \$163.11    |
|        | MARIA I. ZORRA 2006 REVOCABLE<br>TRUST    | 42016   | 1/12/2021    | 7 PARKWOOD DR          | SEWER LATERAL REBATE @ 7<br>PARKWOOD DR APN#019-052-0 | \$1,500.00  |
|        | MID VALLEY SUPPLY                         | 41870   | 1/6/2021     | 11/30/2020             | SUPPLIES  | \$95.91     |
|        | MONTEREY BAY ANALYTICAL<br>SERVICES, INC. | 42027   | 1/12/2021    | 2011WAT                | ANALYTICAL SERVICES                                   | \$117.00    |
|        |   | 42027   | 1/12/2021    | 2011WAT                | ANALYTICAL SERVICES                                   | \$108.00    |
|        |   | 42027   | 1/12/2021    | 2011WAT                | ANALYTICAL SERVICES                                   | \$675.00    |
|        |   | 42027   | 1/12/2021    | 2011WAT                | ANALYTICAL SERVICES                                   | \$22.50     |
|        | OLIN CORPORATION                          | 42035   | 1/12/2021    | 2920685                | SODIUM HYPOCHLORITE SOLUTION                          | \$4,528.74  |

| Fund # | Vendor Name                     | Check # | Invoice Date | Invoice             | Invoice Description            | Amount      |
|--------|---------------------------------|---------|--------------|---------------------|--------------------------------|-------------|
| 0710   | PACIFIC GAS & ELECTRIC          | 41872   | 1/6/2021     | 5314251010-5-12/18  | ELEC                           | \$4,189.50  |
|        |                                 | 41877   | 1/6/2021     | 1283243089-1-12/18  | ELEC                           | \$20,312.89 |
|        |                                 | 41884   | 1/6/2021     | 0998529372-0-12/20- | ELEC                           | \$71.33     |
|        |                                 | 42038   | 1/12/2021    | 9335083043-1-1/4    | GAS CHARGES                    | \$1,139.72  |
|        |                                 | 42113   | 1/13/2021    | 6994615709-1-1/8    | ELEC                           | \$15,805.82 |
|        | PAJARO VALLEY PRINTING          | 42042   | 1/12/2021    | 40917               | QUARTERLY BUSINESS BULLETIN    | \$693.74    |
|        | PAN-PACIFIC SUPPLY              | 42044   | 1/12/2021    | 29606855            | WATER MOTOR                    | \$5,513.22  |
|        | PENINSULA PEST MANAGEMENT, INC. | 42045   | 1/12/2021    | 14254               | PEST CONTROL                   | \$1,975.00  |
|        |                                 | 42045   | 1/12/2021    | 14264               | INSECTICIDE APPLICATION        | \$400.00    |
|        |                                 | 42045   | 1/12/2021    | 14263               | VERTEBRATE PEST MANAGEMENT     | \$125.00    |
|        |                                 | 42045   | 1/12/2021    | 14262               | INSECICIDE APPLICATION         | \$200.00    |
|        | PETERSON                        | 42046   | 1/12/2021    | SW240171484         | SERVICES FOR COLLECTIONS AND W | \$2,222.13  |
|        | POLYDYNE INC.                   | 42048   | 1/12/2021    | 1506210             | CHEMICALS FOR WASTEWATER AND R | \$7,254.89  |
|        | PRAXAIR DISTRIBUTION, INC       | 42049   | 1/12/2021    | 60774243            | CYLINDER RENT                  | \$275.85    |
|        | PSOMAS                          | 42051   | 1/12/2021    | 167941              | INSPECTION SERVICES FOR AIRPOR | \$5,850.00  |
|        | RICOH USA, INC                  | 41895   | 1/6/2021     | 5061070093          | COPIER CHARGES                 | \$105.45    |
|        |                                 | 41895   | 1/6/2021     | 5061070093          | COPIER CHARGES                 | \$85.85     |
|        |                                 | 41895   | 1/6/2021     | 5061070093          | COPIER CHARGES                 | \$85.91     |
|        |                                 | 42116   | 1/13/2021    | 5061099451          | COPIER CHARGES                 | \$40.49     |
|        |                                 | 42116   | 1/13/2021    | 5061099769          | TONER-CDD                      | \$3.77      |
|        |                                 | 42116   | 1/13/2021    | 5061099809          | COPIER CHARGES                 | \$132.54    |
|        |                                 | 42116   | 1/13/2021    | 5061099809          | COPIER CHARGES                 | \$7.18      |
|        |                                 | 42116   | 1/13/2021    | 5061099809          | COPIER CHARGES                 | \$23.85     |
|        | SANDEN CONSTRUCTION INC.        | 42067   | 1/12/2021    | 1259                | EMERGENCY REPAIRS- RE-ROOFING  | \$9,998.00  |

| Fund # | Vendor Name                                     | Check # | Invoice Date | Invoice         | Invoice Description                               | Amount      |
|--------|---|---------|--------------|-----------------|---|-------------|
| 0710   | SANTA CRUZ COUNTY ENVIRONMENTAL HEALTH SERVICES | 42069   | 1/12/2021    | IN0099934       | HEALTH PERMIT FAC0003249                          | \$4,570.00  |
|        | SHAPE, INC.                                     | 42076   | 1/12/2021    | 127570          | REPLACEMENT OF FAILED PUMP                        | \$12,591.06 |
|        |   | 42076   | 1/12/2021    | 127862          | PARTS FOR WASTEWATER PLANT                        | \$6,445.75  |
|        | SILKE COMMUNICATIONS                            | 42078   | 1/12/2021    | 103741          | SUPPLIES  | \$272.33    |
|        | STAPLES CREDIT PLAN                             | 42081   | 1/12/2021    | 12/28/2020      | SUPPLIES  | \$58.97     |
|        | SUPERIOR ALARM COMPANY                          | 42083   | 1/12/2021    | 155395          | ALARM MONITORING SERVICE                          | \$79.50     |
|        | THATCHER COMPANY, INC.                          | 42090   | 1/12/2021    | 280781          | CHEMICALS FOR RECYCLE WATER                       | \$4,173.56  |
|        |   | 42090   | 1/12/2021    | 280279          | CHEMICALS FOR RECYCLE WATER                       | \$4,220.70  |
|        | U S BANK CORPORATE PAYMENT SYSTEM               | 41899   | 1/6/2021     | 9464-11/23/2020 | CITY HALL OPENERS- COST SHARED                    | \$197.63    |
|        | VERIZON WIRELESS                                | 42100   | 1/12/2021    | 9869705201      | CELL & DATA CHARGES FOR CITY FR 11/23/20-12/22/20 | \$38.01     |
|        |   | 42100   | 1/12/2021    | 9869705201      | CELL & DATA CHARGES FOR CITY FR 11/23/20-12/22/20 | \$114.03    |
|        |   | 42100   | 1/12/2021    | 9869705201      | CELL & DATA CHARGES FOR CITY FR 11/23/20-12/22/20 | \$76.02     |
|        |   | 42100   | 1/12/2021    | 9869705201      | CELL & DATA CHARGES FOR CITY FR 11/23/20-12/22/20 | \$114.03    |
|        |   | 42100   | 1/12/2021    | 9869711809      | CELL & DATA CHARGES FOR PW FROM 11/23/20-12/22/20 | \$77.10     |
|        |   | 42100   | 1/12/2021    | 9869711809      | CELL & DATA CHARGES FOR PW FROM 11/23/20-12/22/20 | \$57.58     |
|        |   | 42100   | 1/12/2021    | 9869711809      | CELL & DATA CHARGES FOR PW FROM 11/23/20-12/22/20 | \$43.66     |
|        |   | 42100   | 1/12/2021    | 9869711809      | CELL & DATA CHARGES FOR PW FROM 11/23/20-12/22/20 | \$38.01     |
|        |   | 42102   | 1/12/2021    | 8803276932      | LAB SUPPLIES                                      | \$349.93    |
|        | VWR INTERNATIONAL IN                            | 42102   | 1/12/2021    | 8803275132      | LAB SUPPLIES                                      | \$284.28    |
|        |   | 42102   | 1/12/2021    | 8803224558      | LAB SUPPLIES                                      | \$9.72      |
|        |   | 42102   | 1/12/2021    | 8803337762      | LAB SUPPLIES                                      | \$96.23     |
|        |   | 42102   | 1/12/2021    |                 |   |             |

| Fund # | Vendor Name                         | Check # | Invoice Date | Invoice              | Invoice Description                                | Amount       |
|--------|-------------------------------------|---------|--------------|----------------------|--|--------------|
| 0710   | VWR INTERNATIONAL IN                | 42102   | 1/12/2021    | 8803165754           | LAB SUPPLIES                                       | \$82.66      |
|        | WEST COAST CRANES, INC.             | 42104   | 1/12/2021    | 22741                | CRANE RENTAL                                       | \$980.00     |
|        | WORK WELL MEDICAL GROUP             | 42107   | 1/12/2021    | 231906               | EAP SERVICES                                       | \$326.45     |
|        |                                     | 42107   | 1/12/2021    | 231907               | EAP SERVICES                                       | \$326.45     |
|        |                                     | 42107   | 1/12/2021    | 231908               | EAP SERVICES                                       | \$326.45     |
|        | Fund Total                          |         |              |                      |  | \$191,122.03 |
| 0720   | ABRAHAM JOB                         | 41903   | 1/12/2021    | 12950                | 1 QUALIFYING WASHER REBATE @ 571 TUTTLE AVE ACCT#1 | \$100.00     |
|        | AGILIS SYSTEMS, LLC                 | 41907   | 1/12/2021    | 2780759              | INV#2780759 CUSTOMER SERVICE LINXUP TRACKING SERVI | \$160.93     |
|        | AMERICAN MESSAGING                  | 41913   | 1/12/2021    | M7023541VA           | PAGER SERVICE FOR WATER DEPT FR 02/01/21-02/28/21  | \$76.99      |
|        | ASSOCIATION OF BAY AREA GOVERNMENTS | 41915   | 1/12/2021    | AR024820             | FY21-LEVELIZED CHARGE-NAT GAS                      | \$2,907.08   |
|        | AT&T-CAL NET 2                      | 41918   | 1/12/2021    | 000015793448         | CALNET CITY BILL FROM 11/24/20-12/23/2020          | \$291.12     |
|        | BIG CREEK LUMBER COMPANY            | 41928   | 1/12/2021    | 12/29/2020           | SUPPLIES   | \$89.30      |
|        | BPMS SOFTWARE                       | 41933   | 1/12/2021    | 2022                 | SOFTWARE LABOR FOR CROSS-CONNECT REPORT            | \$300.00     |
|        | BRANDENBURG, MAXWELL                | 41934   | 1/12/2021    | TUTION REIMB.FY20/21 | PW- TUITION REIMBURSEMENT                          | \$1,000.00   |
|        | CAROLLO ENGINEERS, INC.             | 41942   | 1/12/2021    | 0193567              | WATER SYSTEM MASTER PLAN                           | \$11,380.14  |
|        | CARRIE JOHNSON                      | 41865   | 1/6/2021     | REISSUE CHECK #37465 | 21455- UTILITY ACCOUNT CLOSED                      | \$67.69      |
|        | CESAR SANCHEZ                       | 41948   | 1/12/2021    | CERTIFICATE REIMB.   | PW-WATER TREATMENT PLANT OPER. REIMBURSEMENT       | \$166.53     |
|        | CHARTER COMMUNICATIONS              | 41866   | 1/6/2021     | 0002463121520        | TV AND INTERNET SERVICES-ACCT 8203 11 680 0002463  | \$138.66     |
|        |                                     | 41866   | 1/6/2021     | 0002463121520        | TV AND INTERNET SERVICES-ACCT 8203 11 680 0002463  | \$30.70      |
|        |                                     | 41866   | 1/6/2021     | 0002463121520        | TV AND INTERNET SERVICES-ACCT 8203 11 680 0002463  | \$30.70      |

| Fund # | Vendor Name                  | Check # | Invoice Date | Invoice               | Invoice Description                               | Amount      |
|--------|------------------------------|---------|--------------|-----------------------|---|-------------|
| 0720   | CHARTER COMMUNICATIONS       | 41866   | 1/6/2021     | 0002463121520         | TV AND INTERNET SERVICES-ACCT 8203 11 680 0002463 | \$30.70     |
|        |                              | 41866   | 1/6/2021     | 0002463121520         | TV AND INTERNET SERVICES-ACCT 8203 11 680 0002463 | \$97.26     |
|        | CHEVROLET OF WATSONVILLE     | 41951   | 1/12/2021    | 12/30/2020            | 2021 CHEVY SILVERADO CREW CAB                     | \$46,773.20 |
|        | CHEYNE BARBA                 | 41952   | 1/12/2021    | BOOT REIMB. FY20/21   | BOOT REIMBURSEMENT FY20/21                        | \$175.00    |
|        | CITY OF WATSONVILLE-CASH     | 41953   | 1/12/2021    | PETTY CASH- JANUARY21 | PETTY CASH- JANUARY 2021                          | \$90.00     |
|        |                              | 41953   | 1/12/2021    | PETTY CASH- JANUARY21 | PETTY CASH- JANUARY 2021                          | \$45.00     |
|        | COMMUNITY TREE SERVICE, INC. | 42110   | 1/13/2021    | 12366                 | TREE SERVICE                                      | \$1,700.00  |
|        | D&G SANITATION               | 41964   | 1/12/2021    | 277050                | SERVICE   | \$25.00     |
|        |                              | 41964   | 1/12/2021    | 277048                | SERVICE   | \$50.00     |
|        |                              | 41964   | 1/12/2021    | 277049                | SERVICE   | \$25.00     |
|        |                              | 41964   | 1/12/2021    | 276326                | SERVICE   | \$25.00     |
|        | DELTA GLASS                  | 41968   | 1/12/2021    | 85265                 | TEMPERED GLASS FOR OVER DESK                      | \$726.99    |
|        | DOWNEY BRAND LLP             | 41969   | 1/12/2021    | 555140                | SPECIAL COUNSEL FOR FLOOD CONT                    | \$526.50    |
|        | EDWARDS TRUCK CENTER INC     | 41972   | 1/12/2021    | 13988,14014           | PARTS & SUPPLIES                                  | \$2,200.61  |
|        | EVERBRIDGE, INC.             | 41977   | 1/12/2021    | M57018                | NIXLE ENGAGE, INVOICE #M57018                     | \$3,500.00  |
|        | FASTENAL COMPANY             | 41979   | 1/12/2021    | CAWAT111940           | PARTS   | \$2,022.38  |
|        | HARRIS & ASSOCIATES INC.     | 41990   | 1/12/2021    | 47047                 | DEVELOPMENT OF THE 2030 CLIMAT                    | \$1,264.00  |
|        |                              | 41990   | 1/12/2021    | 47048                 | RISK & RESILIENCE ASSESSMENT &                    | \$3,928.50  |
|        | HOME DEPOT CREDIT SERVICES   | 41992   | 1/12/2021    | 12/13/2020            | SUPPLIES  | \$218.43    |
|        |                              | 41992   | 1/12/2021    | 12/13/2020            | SUPPLIES  | \$21.77     |
|        |                              | 41992   | 1/12/2021    | 12/13/2020            | SUPPLIES  | \$685.26    |
|        |                              | 41992   | 1/12/2021    | 12/13/2020            | SUPPLIES  | \$169.16    |
|        | ICONIX WATERWORKS (US) INC.  | 41993   | 1/12/2021    | 12/31/2020            | WATER INFRASTRUCTURE REPLACEME                    | \$11,510.56 |

| Fund # | Vendor Name                    | Check # | Invoice Date | Invoice              | Invoice Description                                | Amount      |
|--------|--------------------------------|---------|--------------|----------------------|--|-------------|
| 0720   | JESSICA FERNANDEZ              | 42000   | 1/12/2021    | 24025                | 1 HIGH EFFICIENCY CLOTHES WASHER REBATE @ 525 AIRP | \$100.00    |
|        | JOEL TAPIA                     | 42001   | 1/12/2021    | 22088                | 1 HIGH EFFICIENCY CLOTHES WASHER REBATE @ 41 PACKA | \$100.00    |
|        | KATHLEEN BIANCHINI             | 42003   | 1/12/2021    | 37613                | 1 HIGH EFFICIENCY CLOTHES WASHER REBATE @ 1 PROGRE | \$100.00    |
|        | MARIA RADILLO                  | 42017   | 1/12/2021    | REISSUE CHECK #40716 | 39302- UTILITY ACCOUNT CLOSED                      | \$123.27    |
|        | MARK JASON PINEDA              | 42018   | 1/12/2021    | 36616                | 36616- UTILITY ACCT CLOSED                         | \$158.99    |
|        | MERCURY METALS INC             | 42021   | 1/12/2021    | 13561                | CYLINDER RACK                                      | \$1,131.61  |
|        | MID VALLEY SUPPLY              | 41870   | 1/6/2021     | 11/30/2020           | SUPPLIES   | \$211.40    |
|        |                                | 41870   | 1/6/2021     | 11/30/2020           | SUPPLIES   | \$95.90     |
|        | MISSION LINEN SUPPLY           | 42025   | 1/12/2021    | 292106-12/31/2020    | UNIFORM RENTAL AND LAUNDRY SER                     | \$557.04    |
|        |                                | 42025   | 1/12/2021    | 292107-12/31/2020    | UNIFORM RENTAL AND LAUNDRY SER                     | \$851.30    |
|        |                                | 42025   | 1/12/2021    | 279214-01/04/2021    | UNIFORM RENTAL AND LAUNDRY SER                     | \$393.50    |
|        | MNS ENGINEERS, INC.            | 42026   | 1/12/2021    | 76157                | ON CALL CONSULTANT ENGINEERING                     | \$1,225.00  |
|        | NEW PIG                        | 42033   | 1/12/2021    | 23214760-00          | INV#23214760-00 BUILD A BERM BARRIER KIT, BARRIER  | \$1,022.86  |
|        | PACIFIC GAS & ELECTRIC         | 41880   | 1/6/2021     | 8999729770-3-12/23   | ELEC   | \$10.51     |
|        |                                | 41892   | 1/6/2021     | 8693283387-3-12/28   | GAS & ELEC   | \$51,848.57 |
|        |                                | 42039   | 1/12/2021    | 4850440932-6-1/6     | ELEC   | \$962.33    |
|        |                                | 41891   | 1/6/2021     | 1553836670-7-12/07   | GAS & ELEC   | \$25.25     |
|        |                                | 42040   | 1/12/2021    | 1553836670-7-1/6     | GAS&ELEC   | \$26.12     |
|        |                                | 42041   | 1/12/2021    | 28545                | SHEAR MATERIAL                                     | \$29.74     |
|        | PAJARO VALLEY FABRICATION INC. | 42041   | 1/12/2021    | 28481                | LABOR TO SHEAR MATERIAL                            | \$34.79     |
|        |                                | 42041   | 1/12/2021    | 28492                | HR SQUARE TUBE                                     | \$50.54     |

| Fund # | Vendor Name                          | Check # | Invoice Date | Invoice              | Invoice Description                          | Amount       |
|--------|--------------------------------------|---------|--------------|----------------------|--|--------------|
| 0720   | PAJARO VALLEY FABRICATION            | 42041   | 1/12/2021    | 28470                | LABOR TO CUT MATERIAL                        | \$47.96      |
|        | PAJARO VALLEY WATER MGMT AGENCY      | 42043   | 1/12/2021    | 000013-000-11/30     | GROUNDWATER AUGMENTATION CHARG               | \$463,710.00 |
|        | PRAXAIR DISTRIBUTION, INC            | 42114   | 1/13/2021    | 60859281             | BANDSAW                                      | \$4,256.13   |
|        |                                      | 42049   | 1/12/2021    | 60244292             | CYLINDER RENT                                | \$38.10      |
|        |                                      | 42049   | 1/12/2021    | 60744454             | SUPPLIES- CO2                                | \$112.90     |
|        | QUILL CORPORATION                    | 42054   | 1/12/2021    | 13083635             | INVOICE# 13083635 OFFICE SUPPLIES            | \$36.04      |
|        |                                      | 42054   | 1/12/2021    | 13117086             | INVOICE# 13117086 OFFICE SUPPLIES            | \$137.64     |
|        |                                      | 42054   | 1/12/2021    | 13225117             | Invoice# 13225117 Office Supplies            | \$58.93      |
|        |                                      | 42054   | 1/12/2021    | 13192057             | INVOICE# 13192057 OFFICE SUPPLIES            | \$14.19      |
|        |                                      | 42054   | 1/12/2021    | 13074870             | INVOICE# 13074870 OFFICE SUPPLIES            | \$275.38     |
|        | REDWOOD EMPIRE                       | 42058   | 1/12/2021    | 21589                | 21589- UTILITY ACCT CLOSED                   | \$294.59     |
|        | REGIONAL WATER MANAGEMENT FOUNDATION | 42059   | 1/12/2021    | 20/21-CS-13          | SUPPORT SERVICES                             | \$1,000.00   |
|        | RICOH USA, INC                       | 41895   | 1/6/2021     | 5061070093           | COPIER CHARGES                               | \$19.54      |
|        |                                      | 41895   | 1/6/2021     | 5061070093           | COPIER CHARGES                               | \$371.44     |
|        |                                      | 42116   | 1/13/2021    | 5061099769           | TONER-CDD                                    | \$3.77       |
|        |                                      | 42116   | 1/13/2021    | 5061099809           | COPIER CHARGES                               | \$132.54     |
|        |                                      | 42116   | 1/13/2021    | 5061099809           | COPIER CHARGES                               | \$19.95      |
|        | RUBEN ESCOBAR                        | 42064   | 1/12/2021    | GRADE 1 COLLEC. REIM | PW-CA WATER ENVIR. GRADE 1 COLLECTION REIMB. | \$175.00     |
|        | SANDY RIVER MARKETING, INC.          | 42068   | 1/12/2021    | 25631                | INV#25631 MESH CAPS                          | \$526.13     |
|        | SBS                                  | 42073   | 1/12/2021    | 0008882-IN           | CYD  | \$76.48      |
|        |                                      | 42073   | 1/12/2021    | 0724350-IN           | 2 SK SAND SLURRY                             | \$421.68     |
|        |                                      | 42073   | 1/12/2021    | 0724546-IN           | 2 SK SAND SLURRY                             | \$326.68     |



| Fund # | Vendor Name                            | Check # | Invoice Date | Invoice              | Invoice Description                               | Amount       |
|--------|--|---------|--------------|----------------------|---|--------------|
| 0720   | SERVICE PRINTERS                       | 42075   | 1/12/2021    | REISSUE CHECK #41027 | INV. #1793- ENVELOPES                             | \$1,317.61   |
|        | SUPERIOR HYDRO-SEEDING, INC.           | 42084   | 1/12/2021    | 16408-               | 16408 -UTILITY ACCT CLOSED                        | \$566.85     |
|        | SWRCB-ELAP FEES                        | 42085   | 1/12/2021    | LW-1030264           | WATER SYSTEM ANNUAL FEES                          | \$31,677.80  |
|        | T. M. IRRIGATION SPECIALTIES CO., INC. | 42087   | 1/12/2021    | 73024                | INV#73024 3' STEEL FLANG                          | \$122.84     |
|        | TENNYSON ELECTRIC, INC.                | 42088   | 1/12/2021    | 41630                | 41630- UTILITY ACCT CLOSED                        | \$351.54     |
|        | TINO'S PLUMBING INC                    | 42091   | 1/12/2021    | 129163               | REPAIRS   | \$140.00     |
|        | U S BANK CORPORATE PAYMENT SYSTEM      | 41899   | 1/6/2021     | 9464-11/23/2020      | CITY HALL OPENERS- COST SHARED                    | \$197.63     |
|        | UPS STORE                              | 42097   | 1/12/2021    | 12/31/2020           | SHIPPING AND LIVESCAN SERVICES                    | \$51.31      |
|        | VERIZON WIRELESS                       | 42100   | 1/12/2021    | 9869705201           | CELL & DATA CHARGES FOR CITY FR 11/23/20-12/22/20 | \$342.09     |
|        |  | 42100   | 1/12/2021    | 9869705201           | CELL & DATA CHARGES FOR CITY FR 11/23/20-12/22/20 | \$76.02      |
|        |  | 42100   | 1/12/2021    | 9869711809           | CELL & DATA CHARGES FOR PW FROM 11/23/20-12/22/20 | \$296.45     |
|        |  | 42100   | 1/12/2021    | 9869711809           | CELL & DATA CHARGES FOR PW FROM 11/23/20-12/22/20 | \$200.09     |
|        |  | 42107   | 1/12/2021    | 231906               | EAP SERVICES                                      | \$217.63     |
|        | WORK WELL MEDICAL GROUP                | 42107   | 1/12/2021    | 231907               | EAP SERVICES                                      | \$217.63     |
|        |  | 42107   | 1/12/2021    | 231908               | EAP SERVICES                                      | \$217.63     |
|        |  |         |              |                      |   |              |
|        | Fund Total                             |         |              |                      |   | \$659,657.07 |
| 0730   | AT&T-CAL NET 2                         | 41918   | 1/12/2021    | 000015793448         | CALNET CITY BILL FROM 11/24/20-12/23/2020         | \$344.81     |
|        | CENTRAL ELECTRIC                       | 42109   | 1/13/2021    | 12/31/2020           | ELEC REPAIRS & SUPPLIES                           | \$443.01     |
|        | CHARTER COMMUNICATIONS                 | 41866   | 1/6/2021     | 0002463121520        | TV AND INTERNET SERVICES-ACCT 8203 11 680 0002463 | \$172.72     |
|        | D&M TRAFFIC SERVICES, INC.             | 41965   | 1/12/2021    | 75598                | PARTS   | \$194.98     |
|        | ELEVATOR SERVICE COMPANY, INC.         | 41974   | 1/12/2021    | 31002                | ELEVATOR SERVICE                                  | \$200.00     |

| Fund # | Vendor Name                           | Check # | Invoice Date | Invoice              | Invoice Description              | Amount     |
|--------|---------------------------------------|---------|--------------|----------------------|----------------------------------|------------|
| 0730   | FIRST ALARM SECURITY & PATROL, INC.   | 41983   | 1/12/2021    | 10779192             | SECURITY SERVICE                 | \$714.03   |
|        | HOME DEPOT CREDIT SERVICES            | 41992   | 1/12/2021    | 12/13/2020           | SUPPLIES                         | \$404.20   |
|        |                                       | 41992   | 1/12/2021    | 12/13/2020           | SUPPLIES                         | \$37.80    |
|        |                                       | 41992   | 1/12/2021    | 12/13/2020           | SUPPLIES                         | \$18.55    |
|        | MID VALLEY SUPPLY                     | 41870   | 1/6/2021     | 11/30/2020           | SUPPLIES                         | \$307.87   |
|        | MISSION LINEN SUPPLY                  | 42025   | 1/12/2021    | 292110-01/04/2021    | UNIFORM RENTAL AND LAUNDRY SER   | \$582.79   |
|        | NAPA AUTO PARTS                       | 42029   | 1/12/2021    | 121608               | BATTERY CHARGER                  | \$38.23    |
|        |                                       | 42029   | 1/12/2021    | 122106               | RETURN BATTERY CHARGER           | (\$38.23)  |
|        |                                       | 42029   | 1/12/2021    | 114091               | SUPPLIES                         | \$33.85    |
|        |                                       | 42029   | 1/12/2021    | 117392               | BATTERY                          | \$471.94   |
|        |                                       | 42029   | 1/12/2021    | 117400               | CORE DEPOSIT                     | \$9.83     |
|        |                                       | 42029   | 1/12/2021    | 119872               | TOGGLE SWITCH                    | \$7.31     |
|        |                                       | 42029   | 1/12/2021    | 120573               | HOSE CLAMPS                      | \$20.31    |
|        |                                       | 42029   | 1/12/2021    | 121607               | BATTERY & CHARGER                | \$223.94   |
|        | NPM, INC.                             | 42034   | 1/12/2021    | 182430               | DEC INSPECTION                   | \$80.00    |
|        | PACIFIC CREST ENGINEERING, INC.       | 42112   | 1/13/2021    | 9170                 | SPILL PREVENTION CONTROL & COU   | \$1,365.00 |
|        | PACIFIC GAS & ELECTRIC                | 41885   | 1/6/2021     | 9830958081-3-12/21   | ELEC                             | \$132.80   |
|        | PRAXAIR DISTRIBUTION, INC             | 42049   | 1/12/2021    | 60773856             | CYLINDER RENT                    | \$53.70    |
|        | RICOH USA, INC                        | 42116   | 1/13/2021    | 5061099317           | COPIER CHARGES                   | \$76.39    |
|        | SAMER GIRGIS                          | 41897   | 1/6/2021     | REISSUE CHECK #40876 | INV# CW01- RESTROOM ADDITION     | \$3,675.00 |
|        | SANTA CRUZ COUNTY, WEIGHTS & MEASURES | 42117   | 1/13/2021    | 10432-2021           | AIRPORT-COMM DEVICE REGISTRATION | \$349.90   |
|        | SUPERIOR ALARM COMPANY                | 42083   | 1/12/2021    | 155718               | ALARM SERVICE                    | \$148.50   |
|        |                                       | 42083   | 1/12/2021    | 155467               | ALARM SERVICES                   | \$127.50   |

| Fund # | Vendor Name                         | Check # | Invoice Date | Invoice        | Invoice Description                               | Amount      |
|--------|-------------------------------------|---------|--------------|----------------|---|-------------|
| 0730   | TRI-COUNTY FIRE PROTECTION INC      | 42095   | 1/12/2021    | 54206          | SERVICE   | \$189.00    |
|        |                                     | 42095   | 1/12/2021    | 54205          | SERVICE   | \$600.00    |
|        | UNITED SITE SERVICES INC.           | 42096   | 1/12/2021    | 114-11324003   | SERVICE   | \$80.43     |
|        |                                     | 42096   | 1/12/2021    | 114-11430533   | SERVICE   | \$80.43     |
|        | VERIZON WIRELESS                    | 42100   | 1/12/2021    | 9869705201     | CELL & DATA CHARGES FOR CITY FR 11/23/20-12/22/20 | \$150.85    |
|        | WORK WELL MEDICAL GROUP             | 42107   | 1/12/2021    | 231906         | EAP SERVICES                                      | \$69.01     |
|        |                                     | 42107   | 1/12/2021    | 231907         | EAP SERVICES                                      | \$69.01     |
|        |                                     | 42107   | 1/12/2021    | 231908         | EAP SERVICES                                      | \$69.01     |
|        | WORLD FUEL SERVICES                 | 42120   | 1/13/2021    | 723458         | PURCHASE OF AVIATION GRADE GAS                    | \$28,249.16 |
|        |                                     | 42120   | 1/13/2021    | 723456         | PURCHASE OF AVIATION GRADE GAS                    | \$14,188.88 |
|        | Fund Total                          |         |              |                |   | \$53,942.51 |
| 0740   | A TOOL SHED RENTALS, INC.           | 41902   | 1/12/2021    | 1468678-6      | PRESSURE WASHER                                   | \$209.00    |
|        | ACE PORTABLE SERVICES, INC.         | 41904   | 1/12/2021    | 161398         | INV#161398 HAND WASH STATION AND CLEANING SERVICE | \$226.85    |
|        | AIR UNLIMITED                       | 41908   | 1/12/2021    | 290262         | INV#290262 PROPANE 28 GALLONS 12/16/2020          | \$89.00     |
|        | ASSOCIATION OF BAY AREA GOVERNMENTS | 41915   | 1/12/2021    | AR024820       | FY21-LEVELIZED CHARGE-NAT GAS                     | \$198.21    |
|        | AUTO CARE LIFESAVER TOWING          | 41919   | 1/12/2021    | 21-27001       | SUPER DUTY TOW                                    | \$192.00    |
|        |                                     | 41919   | 1/12/2021    | 21-26952       | TOWING SERVICE                                    | \$54.00     |
|        |                                     | 41919   | 1/12/2021    | 20-26569       | TOWING SERVICE                                    | \$378.00    |
|        |                                     | 41919   | 1/12/2021    | 20-26465       | TOWING SERVICES                                   | \$54.00     |
|        | BEWLEY'S CLEANING, INC.             | 41927   | 1/12/2021    | 009655         | JANITORIAL SERVICES                               | \$183.00    |
|        | BURTON'S FIRE APPARATUS, INC.       | 41937   | 1/12/2021    | 50847          | PART  | \$1,871.62  |
|        | CALIFORNIA GREY BEARS INC           | 41864   | 1/6/2021     | JULY-JUNE 2021 | RECYCLING SERVICES FOR WATSONVILLE RESIDENTS      | \$4,500.00  |
|        | CAMPOS BROS. RECOVERY, INC.         | 41941   | 1/12/2021    | 12224          | INV#12224 APPLIANCE RECYCLER 12/8/2020            | \$657.00    |

| Fund # | Vendor Name                  | Check # | Invoice Date | Invoice               | Invoice Description                                | Amount     |
|--------|------------------------------|---------|--------------|-----------------------|--|------------|
| 0740   | CAMPOS BROS. RECOVERY, INC.  | 41941   | 1/12/2021    | 12429                 | INV#12429 APPLIANCE RECYCLER 9/15/2020             | \$450.00   |
|        |                              | 41941   | 1/12/2021    | 12384                 | INV#12384 APPLIANCE RECYCLER 8/11/2020             | \$450.00   |
|        |                              | 41941   | 1/12/2021    | 12392                 | INV#12392 APPLIANCE RECYCLER 8/18/2020             | \$450.00   |
|        | CITY OF WATSONVILLE-CASH     | 41953   | 1/12/2021    | PETTY CASH- JANUARY21 | PETTY CASH- JANUARY 2021                           | \$22.51    |
|        | CLEARBLU ENVIRONMENTAL       | 41954   | 1/12/2021    | 24451                 | SERVICE  | \$360.04   |
|        | COMMERCIAL TRUCK COMPANY     | 41957   | 1/12/2021    | 01P6406               | COMPRESSOR   | \$252.98   |
|        | D&G SANITATION               | 41964   | 1/12/2021    | 277047                | SERVICE  | \$191.10   |
|        |                              | 41964   | 1/12/2021    | 277045                | SERVICE  | \$103.79   |
|        | DELTA GLASS                  | 41968   | 1/12/2021    | 85331                 | LABOR  | \$20.00    |
|        |                              | 41968   | 1/12/2021    | 85285                 | VEHICLE SERVICE                                    | \$25.00    |
|        | D-LUX SCREEN PRINTING, INC.  | 41966   | 1/12/2021    | 180604                | INV#180604 PARKING CITATIONS                       | \$919.84   |
|        | EL PAJARO COMMUNITY DEV CORP | 41973   | 1/12/2021    | 2285                  | INV#2285 PLAZA VIGIL TIPPING SERVICES FOR NOV 2020 | \$473.00   |
|        | FASTENAL COMPANY             | 41979   | 1/12/2021    | CAWAT112204           | BATTERIES  | \$30.19    |
|        |                              | 41979   | 1/12/2021    | CAWAT112366           | SUPPLIES   | \$46.43    |
|        |                              | 41979   | 1/12/2021    | CAWAT112133           | SUPPLIES   | \$182.79   |
|        |                              | 41979   | 1/12/2021    | CAWAT112273           | PARTS  | \$9.06     |
|        |                              | 41979   | 1/12/2021    | CAWAT112052           | PARTS  | \$18.78    |
|        |                              | 41979   | 1/12/2021    | CAWAT112040           | PARTS  | \$40.37    |
|        |                              | 41979   | 1/12/2021    | CAWAT112077           | PARTS  | \$3.82     |
|        | FERNANDEZ, JAIME             | 41982   | 1/12/2021    | BOOT REIMB. FY20/21   | PW- BOOT REIMBURSEMENT                             | \$149.50   |
|        | HOME DEPOT CREDIT SERVICES   | 41992   | 1/12/2021    | 12/13/2020            | SUPPLIES   | \$230.37   |
|        |                              | 41992   | 1/12/2021    | 12/13/2020            | SUPPLIES   | \$196.42   |
|        | IDENTIFIX INC                | 41994   | 1/12/2021    | 368054-21             | LICENSE & SUBSCRIPTION                             | \$1,428.00 |

| Fund # | Vendor Name                               | Check # | Invoice Date | Invoice           | Invoice Description                     | Amount     |
|--------|---|---------|--------------|-------------------|---|------------|
| 0740   | INTERSTATE BATTERY CO                     | 41997   | 1/12/2021    | 01/05/2021        | BATTERIES                               | \$884.70   |
|        | KELLY-MOORE PAINT COMPANY, INC.           | 42004   | 1/12/2021    | 818-00000318211   | PAINT                                   | \$50.99    |
|        |   | 42004   | 1/12/2021    | 818-00000318210   | PAINT                                   | \$57.12    |
|        |   | 42004   | 1/12/2021    | 818-00000317881   | PAINT                                   | \$27.56    |
|        | KME FIRE APPARATUS                        | 42007   | 1/12/2021    | CA 554639         | PARTS                                   | \$464.37   |
|        |   | 42007   | 1/12/2021    | CA 554557         | PARTS                                   | \$593.10   |
|        | LARGE'S METAL FABRICATION, INC            | 42009   | 1/12/2021    | 126310            | REPAIR DOOR WINDOW                      | \$310.00   |
|        | MICHELLI MEASUREMENT GROUP, LLC           | 42023   | 1/12/2021    | 59593             | INV#59593 SERVICE INSPECTION            | \$1,523.41 |
|        | MID VALLEY SUPPLY                         | 41870   | 1/6/2021     | 11/30/2020        | SUPPLIES                                | \$345.85   |
|        | MISSION LINEN SUPPLY                      | 42025   | 1/12/2021    | 292100-12/31/2020 | UNIFORM RENTAL AND LAUNDRY SER          | \$1,249.09 |
|        |   | 42025   | 1/12/2021    | 292101-12/31/2020 | UNIFORM RENTAL AND LAUNDRY SER          | \$384.80   |
|        |   | 42025   | 1/12/2021    | 292104-12/31/2020 | UNIFORM RENTAL AND LAUNDRY SER          | \$419.26   |
|        |   | 42025   | 1/12/2021    | 292102-12/31/2020 | UNIFORM RENTAL AND LAUNDRY SER          | \$189.12   |
|        |   | 42025   | 1/12/2021    | 292103-12/31/2020 | UNIFORM RENTAL AND LAUNDRY SER          | \$360.00   |
|        | MUNICIPAL MAINTENANCE EQUIPMENT           | 42028   | 1/12/2021    | 0155601-IN        | PARTS                                   | \$441.63   |
|        | NEW AUTOMOTIVE COLOR 2004                 | 42032   | 1/12/2021    | 1654184           | PAINT                                   | \$95.66    |
|        | NPM, INC.                                 | 42034   | 1/12/2021    | 182429            | MONTHLY VISUAL INSPECTION DECEMBER 2020 | \$80.00    |
|        | OSUNA AUTO ELECTRIC & SMALL ENGINE REPAIR | 42036   | 1/12/2021    | 40799             | PARTS                                   | \$165.79   |
|        |   | 42036   | 1/12/2021    | 40883             | REPAIR JUMPER CABLES                    | \$32.98    |
|        |   | 42036   | 1/12/2021    | 40748             | SERVICE AND PARTS                       | \$458.49   |
|        |   | 42036   | 1/12/2021    | 40802             | PARTS                                   | \$65.52    |
|        |   | 42036   | 1/12/2021    | 40816             | PART                                    | \$17.47    |

| Fund # | Vendor Name                    | Check # | Invoice Date | Invoice            | Invoice Description                                | Amount     |
|--------|--------------------------------|---------|--------------|--------------------|--|------------|
| 0740   | PACIFIC GAS & ELECTRIC         | 41886   | 1/6/2021     | 1437608399-5-12/18 | ELEC   | \$2,283.27 |
|        | PAJARO VALLEY FABRICATION INC. | 42041   | 1/12/2021    | 28518              | REPAIR ARMS FRONT LOADER                           | \$242.00   |
|        |                                | 42041   | 1/12/2021    | 28516              | LABOR TO MFG BRACKET                               | \$176.61   |
|        |                                | 42041   | 1/12/2021    | 28509              | LABOR TO MFG BUSHINGS FOR SHACKLES                 | \$55.94    |
|        |                                | 42041   | 1/12/2021    | 28512              | LABOR TO MFG BUSHING DRIVE PER SCOT                | \$56.92    |
|        |                                | 42041   | 1/12/2021    | 28489              | LABOR TO SHEAR MATERIAL                            | \$37.47    |
|        |                                | 41894   | 1/6/2021     | 12/01/2020         | PARTS  | \$3,976.14 |
|        |                                | 42041   | 1/12/2021    | 28540              | LABOR TO SHEAR MATERIAL                            | \$24.04    |
|        |                                | 42041   | 1/12/2021    | 28508              | LABOR TO MFG SLOTTED MOUNTING BAR                  | \$75.11    |
|        | PAJARO VALLEY PRINTING         | 42042   | 1/12/2021    | 41481              | MEADOWS MANNOR FOOD SCRAP PILOT PROGRAM            | \$464.31   |
|        |                                | 42042   | 1/12/2021    | 41502              | NOTICE OF CHANGES IN HOLIDAY COLLECTION POSTCARDS  | \$1,856.16 |
|        |                                | 42042   | 1/12/2021    | 41412              | NOTICE OF CHANGES IN HOLIDAY COLLECTION            | \$3,572.48 |
|        |                                | 42042   | 1/12/2021    | 41496              | PRINTS- DRIVERS VEHICLE INSPECTION REPORT          | \$289.51   |
|        | PKT WELDING & FABRICATION      | 42047   | 1/12/2021    | 1876               | INV#1876 PURCHASED FOUR GATES AND MODIFIED         | \$1,509.46 |
|        | PRAXAIR DISTRIBUTION, INC      | 42049   | 1/12/2021    | 60784196           | CYLINDER CHARGES                                   | \$100.58   |
|        |                                | 42049   | 1/12/2021    | 60989442           | WIRE MS  | \$150.76   |
|        |                                | 42049   | 1/12/2021    | 60974275           | PLAS MACH SPECT 625XTRM 20'                        | \$2,294.00 |
|        |                                | 42049   | 1/12/2021    | 60790369           | CYLINDER RENT                                      | \$166.65   |
|        |                                | 42049   | 1/12/2021    | 60729262           | OXYGEN   | \$32.17    |
|        | QUALITY WATER ENTERPRISES      | 42052   | 1/12/2021    | 1181176            | INV#1181176 WATER SERVICE AND STAND RENTAL FOR JAN | \$44.17    |
|        | RDO EQUIPMENT CO.              | 42056   | 1/12/2021    | P2210439           | PARTS  | \$41.78    |

| Fund # | Vendor Name                          | Check # | Invoice Date | Invoice             | Invoice Description                                | Amount      |
|--------|--------------------------------------|---------|--------------|---------------------|--|-------------|
| 0740   | RESOURCES RECYCLING & RECOVERY       | 42061   | 1/12/2021    | 0000001329150       | INV#0000001329150 LANDFILL 1ST QUARTER JULY-SEP 20 | \$390.88    |
|        |                                      | 42061   | 1/12/2021    | 0000001329165       | INV#0000001329165 1ST QUARTER JUL-SEP 2020 RECYCLI | \$251.66    |
|        |                                      | 42061   | 1/12/2021    | 0000001329166       | INV#0000001329166 GILBERTSON ILLEGAL DISPOSAL SITE | \$97.37     |
|        | RETAIL MARKETING SERVICES, INC.      | 42062   | 1/12/2021    | 179535              | INV#179535 CART SERVICE FOR NOVEMBER 2020 TOTAL CA | \$650.00    |
|        | RUVALCABA GARCIA, JAIME              | 42065   | 1/12/2021    | BOOT REIMB. FY20/21 | PW- BOOT REIMBURSEMENT                             | \$200.00    |
|        | STAPLES CREDIT PLAN                  | 42081   | 1/12/2021    | 12/28/2020          | SUPPLIES   | \$40.70     |
|        | STURDY OIL COMPANY                   | 42118   | 1/13/2021    | 10/31/2020          | PETROLEUM PRODUCTS FOR CITY WI                     | \$12,668.53 |
|        | TERRA X PEST SERVICE, INC.           | 42089   | 1/12/2021    | 38142               | INV#38142 PEST SERVICE FOR 12/24/2020              | \$126.00    |
|        | TIREHUB, LLC                         | 42092   | 1/12/2021    | 17997102            | TIRES  | \$251.93    |
|        |                                      | 42092   | 1/12/2021    | 18146244            | 6-TIRES  | \$807.55    |
|        |                                      | 42092   | 1/12/2021    | 17900514            | TIRES  | \$242.92    |
|        |                                      | 42092   | 1/12/2021    | 17852199            | TIRES  | \$1,706.30  |
|        | TORIUMI'S AUTO REPAIR                | 42093   | 1/12/2021    | 91655               | VEHICLE REPAIR                                     | \$1,172.71  |
|        | TOTAL EQUIPMENT & RENTAL OF FREMONT  | 42094   | 1/12/2021    | P36998              | BELT COMPRESSOR                                    | \$45.23     |
|        | TRI-COUNTY FIRE PROTECTION INC       | 42095   | 1/12/2021    | 54120               | SERVICE  | \$735.15    |
|        | U S BANK CORPORATE PAYMENT SYSTEM    | 41899   | 1/6/2021     | 9464-11/23/2020     | CITY HALL OPENERS- COST SHARED                     | \$197.63    |
|        | VERIZON WIRELESS                     | 42100   | 1/12/2021    | 9869711809          | CELL & DATA CHARGES FOR PW FROM 11/23/20-12/22/20  | \$153.42    |
|        |                                      | 42100   | 1/12/2021    | 9869711809          | CELL & DATA CHARGES FOR PW FROM 11/23/20-12/22/20  | \$4.91      |
|        | WEST COAST RUBBER RECYCLING          | 42105   | 1/12/2021    | 20-3082             | INV#20-3082 TIRE DISPOSAL                          | \$1,088.00  |
|        | WESTERN TRUCK CENTER-SAN LEANDRO, CA | 42106   | 1/12/2021    | 084P11588           | PART   | \$82.51     |
|        |                                      | 42106   | 1/12/2021    | 084P11558           | PARTS  | \$727.06    |

| Fund # | Vendor Name                    | Check # | Invoice Date | Invoice      | Invoice Description                               | Amount      |
|--------|--------------------------------|---------|--------------|--------------|---|-------------|
| 0740   | WORK WELL MEDICAL GROUP        | 42107   | 1/12/2021    | 231906       | EAP SERVICES                                      | \$267.10    |
|        |                                | 42107   | 1/12/2021    | 231907       | EAP SERVICES                                      | \$267.10    |
|        |                                | 42107   | 1/12/2021    | 231908       | EAP SERVICES                                      | \$267.10    |
|        | Fund Total                     |         |              |              |   | \$62,774.87 |
| 0741   | ES ENGINEERING SERVICES, LLC   | 41976   | 1/12/2021    | CINV-005510  | DOCUMENT PREPARATION FOR LANDF                    | \$8,330.59  |
|        | Fund Total                     |         |              |              |   | \$8,330.59  |
| 0765   | LENOVO INC.                    | 42011   | 1/12/2021    | 6456172437   | 13 COMPUTERS FOR COMPUTER REPLACEMENT PROG        | \$17,753.13 |
|        | Fund Total                     |         |              |              |   | \$17,753.13 |
| 0780   | LWP CLAIMS SOLUTIONS INC       | 42014   | 1/12/2021    | 19185        | CLAIMS ADMINISTRATION -JANUARY 2021               | \$13,574.00 |
|        | THE GRUNSKY LAW FIRM LLC       | 41989   | 1/12/2021    | 95803        | LEGAL SERVICES                                    | \$13,406.40 |
|        | Fund Total                     |         |              |              |   | \$26,980.40 |
| 0787   | MES VISION                     | 42111   | 1/13/2021    | 12/31/2020   | CLAIMS WEEK OF 12/31/2020                         | \$1,203.44  |
|        | PREFERRED BENEFIT              | 42115   | 1/13/2021    | EIA35835     | EIA35835- CALIMS WEEK 01/07/2021                  | \$6,310.00  |
|        |                                | 42115   | 1/13/2021    | EIA35606     | EIA35606- CALIMS WEEK ENDING 12/24/2020           | \$10,595.97 |
|        |                                | 42115   | 1/13/2021    | EIA35637     | EIA35637-CLAIMS WEEK ENDING 12/31/2020            | \$5,391.31  |
|        | Fund Total                     |         |              |              |   | \$23,500.72 |
| 0790   | AT&T-CAL NET 2                 | 41918   | 1/12/2021    | 000015793448 | CALNET CITY BILL FROM 11/24/20-12/23/2020         | \$739.14    |
|        |                                | 41918   | 1/12/2021    | 000015793598 | CALNET PRI ACCOUNT FROM 11/24/2020-12/23/2020     | \$1,957.23  |
|        | CDW GOVERNMENT, INC.           | 41944   | 1/12/2021    | 5593862      | CABLES FOR IT INFRASTRUCTURE                      | \$64.87     |
|        |                                | 41944   | 1/12/2021    | 6095386      | MORE LICENSES FOR MOBILE IRON-PRORATED            | \$1,477.50  |
|        | CRUZIO/THE INTERNET STORE INC. | 41961   | 1/12/2021    | N29135-123   | DSL CHARGES FOR CITY SITES FROM 02/01/21-02/28/21 | \$150.00    |



| Fund # | Vendor Name         | Check # | Invoice Date | Invoice        | Invoice Description                               | Amount         |
|--------|---------------------|---------|--------------|----------------|---|----------------|
| 0790   | SADA SYSTEMS        | 42066   | 1/12/2021    | INV122970      | ENTERPRISE LICENSES FOR ARCHIVED USERS            | \$3,920.00     |
|        | VERIZON WIRELESS    | 42100   | 1/12/2021    | 9869705201     | CELL & DATA CHARGES FOR CITY FR 11/23/20-12/22/20 | \$143.18       |
|        | Fund Total          |         |              |                |   | \$8,451.92     |
| 0820   | JEFFREY DAVID PRICE | 41999   | 1/12/2021    | CASE 17W-05481 | REFUND- EVIDENCE MONEY FOR CASE #17W-05481        | \$494.00       |
|        | Fund Total          |         |              |                |   | \$494.00       |
| Total  | Total               |         |              |                |   | \$2,387,533.87 |

CITY OF WATSONVILLE  
FINANCE DEPARTMENT  
SUMMARY OF DISBURSEMENTS  
WARRANT REGISTER DATED 1/20/2021 to 2/2/2021

| FUND<br>NO.                                | FUND<br>NAME                      | AMOUNT              |
|--|-----------------------------------|---------------------|
|  | 130 EMPLOYEE CASH DEDUCTIONS FUND | 684,970.26          |
|  | 150 GENERAL FUND                  | 121,186.53          |
|  | 160 RETIREMENT FUND               | 49.50               |
|  | 204 REDEVELOPMENT HOUSING FUND    | 1,160.77            |
|  | 210 CAL HOME GRANT                | 58,000.00           |
|  | 246 CIVIC CENTER COMMON AREA      | 27,883.32           |
|  | 250 LIBRARY FUND                  | 45,140.33           |
|  | 260 SPECIAL GRANTS                | 504,307.36          |
|  | 281 PARKS DEVELOPMENT FUND        | 5,474.64            |
|  | 291 CANNABIS REVENUE FUND         | 29,482.88           |
|  | 305 GAS TAX                       | 8,813.59            |
|  | 306 SB 1-GAS TAX FUNDING          | 201,951.64          |
|  | 310 SALES TAX MEASURE G           | 38,502.03           |
|  | 312 MEASURE D                     | 39,272.04           |
|  | 340 CITY-WIDE TRAFFIC IMPACT      | 27,252.02           |
|  | 347 AFFORDABLE HOUSING            | 90,580.00           |
|  | 354 SPECIAL DISTRICT FUNDS        | 926.24              |
|  | 710 SEWER SERVICE FUND            | 276,833.38          |
|  | 720 WATER OPERATING FUND          | 143,296.45          |
|  | 730 AIRPORT ENTERPRISE FUND       | 64,450.99           |
|  | 740 WASTE DISPOSAL FUND           | 1,137,742.72        |
|  | 741 LANDFILL CLOSURE              | 4,794.58            |
|  | 765 COMPUTER REPLACEMENT FUND     | 39.80               |
|  | 780 WORKER'S COMP/LIABILITY FUND  | 2,000.00            |
|  | 787 HEALTH INSURANCE FUND POOL    | 603,788.70          |
|  | 790 INFORMATION & TECHNOLOGY ISF  | 187.99              |
|  | 825 NARCOTICS FORFEITURE AWARD    | 20,112.94           |
|  | <b>TOTAL</b>                      | <b>4,138,200.70</b> |
| TOTAL ACCOUNTS PAYABLE 1/20/21 to 2/2/2021 |                                   | 3,453,230.44        |
| PAYROLL INVOICES                           |                                   | 684,970.26          |
| TOTAL OF ALL INVOICES                      |                                   | <b>4,138,200.70</b> |

## Check Register

For the Period 1/20/2021 through 2/2/2021

| Fund # | Vendor Name                          | Check # | Invoice Date | Invoice | Invoice Description                                | Amount       |
|--------|--------------------------------------|---------|--------------|---------|--|--------------|
| 0130   | AFLAC                                | 42342   | 1/29/2021    | 71934   | Payroll Run 1 - Warrant 210129                     | \$9,619.13   |
|        | BENEFIT COORDINATORS CORPORATION     | 42343   | 1/29/2021    | 71921   | Payroll Run 1 - Warrant 210129                     | \$808.95     |
|        | CA STATE DISBURSEMENT UNIT           | 684     | 1/29/2021    | 71936   | Payroll Run 1 - Warrant 210129                     | \$3,156.20   |
|        | CINCINNATI LIFE INSURANCE CO         | 42344   | 1/29/2021    | 71933   | Payroll Run 1 - Warrant 210129                     | \$45.13      |
|        | COLONIAL LIFE & ACCIDENT INS         | 42345   | 1/29/2021    | 71923   | Payroll Run 1 - Warrant 210129                     | \$198.40     |
|        | COUNTY OF SANTA CRUZ-SHERIFF-CORONER | 42346   | 1/29/2021    | 71924   | Payroll Run 1 - Warrant 210129                     | \$604.69     |
|        | ICMA RETIREMENT TRUST 457            | 680     | 1/29/2021    | 71925   | Payroll Run 1 - Warrant 210129                     | \$43,490.82  |
|        |                                      | 682     | 1/29/2021    | 71944   | Payroll Run 1 - Warrant 210129                     | \$2,309.01   |
|        | PROF FIRE FIGHTERS-WATSONVILLE       | 42347   | 1/29/2021    | 71926   | Payroll Run 1 - Warrant 210129                     | \$2,465.00   |
|        | PUBLIC EMP RETIREMENT SYSTEM         | 681     | 1/29/2021    | 71927   | Payroll Run 1 - Warrant 210129                     | \$268,945.23 |
|        | SALLY MCCOLLUM                       | 42348   | 1/29/2021    | 71922   | Payroll Run 1 - Warrant 210129                     | \$500.00     |
|        | SECOND HARVEST FOOD BANK             | 42349   | 1/29/2021    | 71928   | Payroll Run 1 - Warrant 210129                     | \$42.00      |
|        | SEIU LOCAL 521                       | 42351   | 1/29/2021    | 71945   | Payroll Run 1 - Warrant 210129                     | \$25.00      |
|        |                                      | 42350   | 1/29/2021    | 71929   | Payroll Run 1 - Warrant 210129                     | \$1,220.67   |
|        | STATE OF CALIFORNIA TAX BOARD        | 42352   | 1/29/2021    | 71931   | Payroll Run 1 - Warrant 210129                     | \$436.26     |
|        | WAGEWORKS INC                        | 42353   | 1/29/2021    | 71935   | Payroll Run 1 - Warrant 210129                     | \$3,908.62   |
|        | WIRE TRANSFER-IRS                    | 685     | 1/29/2021    | 71932   | Payroll Run 1 - Warrant 210129                     | \$290,205.78 |
|        | WIRE TRANSFER-STATE OF CALIFORNIA    | 683     | 1/29/2021    | 71930   | Payroll Run 1 - Warrant 210129                     | \$56,989.37  |
|        | Fund Total                           |         |              |         |  | \$684,970.26 |
| 0150   | 4LEAF INC.                           | 42152   | 1/26/2021    | J3584G  | FIRE PLAN REVIEW/BLDG INSPECT/                     | \$460.00     |
|        | ABBOTT'S PRO-POWER, LLC              | 42154   | 1/26/2021    | 147516  | 12/29/20-INV#147516, STOLEN EQUIPMENT REPLACEMENT. | \$1,015.18   |

| Fund # | Vendor Name                   | Check # | Invoice Date | Invoice             | Invoice Description                                | Amount     |
|--------|-------------------------------|---------|--------------|---------------------|--|------------|
| 0150   | ACE HARDWARE                  | 42156   | 1/26/2021    | 01/01/2021          | SUPPLIES   | \$206.12   |
|        |                               | 42156   | 1/26/2021    | 01/01/2021          | SUPPLIES   | \$38.20    |
|        |                               | 42156   | 1/26/2021    | 01/01/2021          | SUPPLIES   | \$5.45     |
|        |                               | 42156   | 1/26/2021    | 01/01/2021          | SUPPLIES   | \$87.36    |
|        |                               | 42156   | 1/26/2021    | 01/01/2021          | SUPPLIES   | \$204.19   |
|        |                               | 42156   | 1/26/2021    | 01/01/2021          | SUPPLIES   | \$351.20   |
|        |                               | 42156   | 1/26/2021    | 01/01/2021          | SUPPLIES   | \$41.48    |
|        |                               | 42156   | 1/26/2021    | 01/01/2021          | SUPPLIES   | \$21.99    |
|        |                               | 42156   | 1/26/2021    | 01/01/2021          | SUPPLIES   | \$130.96   |
|        |                               | 42156   | 1/26/2021    | 01/01/2021          | SUPPLIES   | \$10.90    |
|        |                               | 42156   | 1/26/2021    | 01/01/2021          | SUPPLIES   | \$272.28   |
|        |                               | 42156   | 1/26/2021    | 01/01/2021          | SUPPLIES   | \$34.69    |
|        | AGILIS SYSTEMS, LLC           | 42159   | 1/26/2021    | 2733180             | 10/15/20- INV#2733180, TRACKING SERVICE (11/1/20-1 | \$68.97    |
|        | ARROWHEAD FORENSICS           | 42166   | 1/26/2021    | 132682              | EVIDENCE SUPPLIES                                  | \$59.57    |
|        | AT&T                          | 42168   | 1/26/2021    | 138890679-12/14     | SERVICE  | \$41.35    |
|        | AURORA LOPEZ                  | 42170   | 1/26/2021    | 1-8-1-9-2021 REFUND | PINTO LAKE   | \$55.00    |
|        | BAKER & TAYLOR BOOKS          | 42174   | 1/26/2021    | L5858864-12/31/2020 | BOOKS  | \$409.13   |
|        |                               | 42174   | 1/26/2021    | L1073594-12/31/2020 | BOOKS  | \$1,999.59 |
|        |                               | 42174   | 1/26/2021    | L4319424-12/31/2020 | BOOKS  | \$26.39    |
|        |                               | 42174   | 1/26/2021    | C0116843-12/31/2020 | BOOKS  | \$186.63   |
|        |                               | 42174   | 1/26/2021    | L1734444-12/31/2020 | BOOKS  | \$734.71   |
|        | BODY BY HANK                  | 42178   | 1/26/2021    | 20265               | BODY LABOR   | \$2,408.76 |
|        | BURTON'S FIRE APPARATUS, INC. | 42181   | 1/26/2021    | 50892               | PARTS  | \$221.15   |

| Fund # | Vendor Name                                       | Check # | Invoice Date | Invoice            | Invoice Description                                | Amount     |
|--------|---|---------|--------------|--------------------|--|------------|
| 0150   | BURTON'S FIRE APPARATUS, INC.                     | 42181   | 1/26/2021    | 51269              | LADDER WIRING HARNESS                              | \$209.96   |
|        | C2 BUILDERS, INC.                                 | 42136   | 1/20/2021    | 3326               | PCS Improvements Project, CB-2                     | \$8,505.00 |
|        |   | 42136   | 1/20/2021    | 3405               | ROOF BOARD AND REFRANING OF 3 PLATFORMS FOR AC UNI | \$7,100.00 |
|        | CALIFORNIA DEPARTMENT OF TAX & FEE ADMINISTRATION | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX            | \$126.28   |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX            | \$15.72    |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX            | \$13.64    |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX            | \$184.45   |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX            | \$0.98     |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX            | \$49.03    |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX            | \$46.57    |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX            | \$5.47     |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX            | \$27.34    |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX            | \$119.74   |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX            | \$25.15    |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX            | \$36.46    |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX            | \$9.90     |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX            | \$597.09   |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX            | \$219.78   |

| Fund # | Vendor Name                                       | Check # | Invoice Date | Invoice            | Invoice Description                                | Amount      |
|--------|---|---------|--------------|--------------------|--|-------------|
| 0150   | CALIFORNIA DEPARTMENT OF TAX & FEE ADMINISTRATION | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX            | \$11.78     |
|        | CARDIFF PEST CONTROL INC                          | 42185   | 1/26/2021    | 12351-2            | TERMITE REMOVAL                                    | \$8,365.00  |
|        | CHARTER COMMUNICATIONS                            | 42193   | 1/26/2021    | 0002463011521      | SERVICE  | \$157.59    |
|        |   | 42193   | 1/26/2021    | 0002463011521      | SERVICE  | \$220.13    |
|        |   | 42193   | 1/26/2021    | 0002463011521      | SERVICE  | \$30.70     |
|        | CHEVROLET OF WATSONVILLE                          | 42194   | 1/26/2021    | 241575             | VEHICLE SERVICE                                    | \$248.00    |
|        |   | 42194   | 1/26/2021    | 242129             | VEHICLE SERVICE                                    | \$144.87    |
|        |   | 42194   | 1/26/2021    | 239456             | VEHICLE SERVICE                                    | \$71.98     |
|        |   | 42194   | 1/26/2021    | 238997             | VEHICLE SERVICE                                    | \$177.90    |
|        |   | 42194   | 1/26/2021    | 238895             | VEHICLE SERVICE                                    | \$70.13     |
|        |   | 42194   | 1/26/2021    | 242081             | VEHICLE SERVICE                                    | \$138.06    |
|        |   | 42194   | 1/26/2021    | 241201             | VEHICLE SERVICE                                    | \$248.00    |
|        |   | 42200   | 1/26/2021    | 76067              | CLEANING SERVICES                                  | \$375.00    |
|        | CRIME SCENE CLEANERS INC                          | 42200   | 1/26/2021    | 80192              | CLEANING SERVICES                                  | \$125.00    |
|        |   | 42200   | 1/26/2021    | 76281              | CLEANING SERVICES                                  | \$125.00    |
|        |   | 42201   | 1/26/2021    | B201522- REV.1     | FIRE PLAN REVIEW/BLDG INSPECT/                     | \$14,690.73 |
|        | CSG CONSULTANTS, INC                              | 42201   | 1/26/2021    | B201672            | FIRE PLAN REVIEW/BLDG INSPECT/                     | \$9,567.22  |
|        |   | 42209   | 1/26/2021    | 29393              | SERVICE AT FIRE STATION                            | \$90.00     |
|        | DEO'S APPLIANCE SERVICE                           | 42210   | 1/26/2021    | 1/22/2020          | 2021 CA ELECTIONS CODE                             | \$120.18    |
|        | DFM ASSOCIATES                                    | 42213   | 1/26/2021    | 12/29/2020         | TIRES AND SERVICE                                  | \$191.86    |
|        | DIXON & SONS TIRES INC.                           | 42214   | 1/26/2021    | 25557              | 10/19/20, INV25557 - WATSONVILLE SENIOR CENTER NEW | \$187.91    |
|        | DYNAMIC PRESS, INC.                               | 42218   | 1/26/2021    | 1210               | COVID SAFETY MESSAGE BROADCASTING                  | \$800.00    |
|        | EL TEATRO CAMPESINO                               | 42223   | 1/26/2021    | 13318986           | SS RISERS  | \$1,738.30  |
|        |   | 42223   | 1/26/2021    | 13319109           | PARTS RETURNED                                     | (\$547.00)  |

| Fund # | Vendor Name                   | Check # | Invoice Date | Invoice              | Invoice Description                                | Amount      |
|--------|-------------------------------|---------|--------------|----------------------|--|-------------|
| 0150   | FIRST ALARM, INC.             | 42225   | 1/26/2021    | 591103               | ALARM SERVICE                                      | \$225.09    |
|        | GRAHAM POLYGRAPH              | 42229   | 1/26/2021    | 21-02                | CONSULTATION SERVICES                              | \$300.00    |
|        | GRANITE ROCK COMPANY          | 42231   | 1/26/2021    | 1278946              | SUPPLIES   | \$104.81    |
|        |                               | 42231   | 1/26/2021    | 1280784              | 12.31.20-INV#1280784-BACK FILL SAND FOR SEWER REPA | \$52.77     |
|        | GREEN RUBBER-KENNEDY AG       | 42232   | 1/26/2021    | 12/31/2020           | SUPPLIES & PARTS                                   | \$21.60     |
|        | HARRIS & ASSOCIATES INC.      | 42235   | 1/26/2021    | 46088-REISSUE        | Develop LHMP analysis/envirome                     | \$542.50    |
|        | JAUREGUI, ANGELICA            | 42239   | 1/26/2021    | REIMB.<br>11/14/2020 | COVID-19 SUPPLIES                                  | \$163.77    |
|        | JOSE PEREZ                    | 42240   | 1/26/2021    | 9626                 | CLEANING SERVICES AT VARIOUS LOCATIONS             | \$12,385.00 |
|        | MARIANA COVACI                | 42251   | 1/26/2021    | 24809136             | REFUND- PINTO LAKE RV RESERVATION                  | \$630.00    |
|        | MATTHEW BENDER & COMPANY, INC | 42252   | 1/26/2021    | 21966168             | INSURANCE & RISK MANAGEMENT - RELEASE #29          | \$542.59    |
|        | MID VALLEY SUPPLY             | 42255   | 1/26/2021    | 12/29/2020           | SUPPLIES   | \$70.86     |
|        |                               | 42255   | 1/26/2021    | 12/29/2020           | SUPPLIES   | \$1,117.48  |
|        |                               | 42255   | 1/26/2021    | 12/29/2020           | SUPPLIES   | \$1,172.21  |
|        |                               | 42255   | 1/26/2021    | 12/29/2020           | SUPPLIES   | \$1,031.83  |
|        |                               | 42255   | 1/26/2021    | 12/29/2020           | SUPPLIES   | \$832.51    |
|        |                               | 42255   | 1/26/2021    | 12/29/2020           | SUPPLIES   | \$111.13    |
|        |                               | 42255   | 1/26/2021    | 12/29/2020           | SUPPLIES   | \$69.97     |
|        |                               | 42259   | 1/26/2021    | 7107                 | CAMPAIGN DISCLOSURE & ECONOMIC                     | \$3,500.00  |
|        | ONE TIME VENDOR               | 42262   | 1/26/2021    | 24825288             | REFUND- PINTO LAKE RV RESERVATION                  | \$270.00    |
|        |                               | 42263   | 1/26/2021    | 02-2020-017305       | REFUND- TENNIS DROP IN 2020                        | \$160.00    |
|        |                               | 42264   | 1/26/2021    | 02-2020-017285       | REFUND- TENNIS DROP IN 2020                        | \$160.00    |
|        |                               | 42261   | 1/26/2021    | 24808978             | REFUND- PINTO LAKE RV RESERVATION                  | \$180.00    |

| Fund # | Vendor Name                               | Check # | Invoice Date | Invoice           | Invoice Description        | Amount     |
|--------|---|---------|--------------|-------------------|----------------------------|------------|
| 0150   | OSUNA AUTO ELECTRIC & SMALL ENGINE REPAIR | 42265   | 1/26/2021    | 40775             | CHARGING SYSTEM TEST       | \$100.00   |
|        | PACIFIC GAS & ELECTRIC                    | 42270   | 1/26/2021    | 9656517006-3-1/14 | ELEC                       | \$13.31    |
|        |   | 42281   | 1/26/2021    | 0418334151-2-1/15 | ELEC                       | \$426.97   |
|        |   | 42275   | 1/26/2021    | 4048670603-5-1/19 | ELEC                       | \$23.69    |
|        |   | 42277   | 1/26/2021    | 3653340008-5-1/19 | ELEC                       | \$28.22    |
|        |   | 42268   | 1/26/2021    | 0951393634-5-1/14 | ELEC                       | \$39.06    |
|        |   | 42288   | 1/26/2021    | 4829825447-4-1/21 | ELEC                       | \$76.95    |
|        |   | 42287   | 1/26/2021    | 0458151262-3-1/21 | ELEC                       | \$408.03   |
|        |   | 42276   | 1/26/2021    | 9925941904-3-1/19 | ELEC                       | \$175.28   |
|        |   | 42271   | 1/26/2021    | 7523404092-3-1/13 | ELEC                       | \$3,823.45 |
|        |   | 42284   | 1/26/2021    | 4287605895-1-1/20 | ELEC                       | \$11.94    |
|        |   | 42290   | 1/26/2021    | 8480030300-4-1/21 | ELEC                       | \$961.27   |
|        | PAJARO VALLEY FABRICATION INC.            | 42293   | 1/26/2021    | 28490             | LABOR TO REPAIR GRATES     | \$510.31   |
|        | PAJARO VALLEY LOCK SHOP                   | 42294   | 1/26/2021    | 12/31/2020        | SUPPLIES AND SERVICES      | \$84.21    |
|        |   | 42294   | 1/26/2021    | 12/31/2020        | SUPPLIES AND SERVICES      | \$46.06    |
|        |   | 42294   | 1/26/2021    | 12/31/2020        | SUPPLIES AND SERVICES      | \$39.50    |
|        | PAJARO VALLEY PRINTING                    | 42296   | 1/26/2021    | 41035             | PRINTING                   | \$355.06   |
|        |   | 42296   | 1/26/2021    | 41533             | PRINTS                     | \$245.81   |
|        |   | 42296   | 1/26/2021    | 41573             | BUSINESS CARDS- JAY GARCIA | \$81.94    |
|        | PREFERRED PLUMBING, INC.                  | 42301   | 1/26/2021    | 1527              | SERVICE                    | \$1,633.58 |



| Fund # | Vendor Name                          | Check # | Invoice Date | Invoice       | Invoice Description                                | Amount     |
|--------|--------------------------------------|---------|--------------|---------------|--|------------|
| 0150   | RAIMI + ASSOCIATES, INC.             | 42304   | 1/26/2021    | DECEMBER 2020 | DOWNTOWN SPECIFIC PLAN, EIR &                      | \$2,146.10 |
|        |                                      | 42304   | 1/26/2021    | NOVEMBER 2020 | DOWNTOWN SPECIFIC PLAN, EIR &                      | \$245.53   |
|        | SAN DIEGO POLICE EQUIPMENT CO., INC. | 42311   | 1/26/2021    | 645295        | PATROL EQUIPMENT                                   | \$375.74   |
|        | SERVICE PRINTERS                     | 42314   | 1/26/2021    | 1802          | WINDOW ENVELOPES FOR FINANCE                       | \$1,043.34 |
|        | SHRED-IT USA                         | 42148   | 1/20/2021    | 8181160634    | SERVICE  | \$33.89    |
|        |                                      | 42148   | 1/20/2021    | 8181160634    | SERVICE  | \$74.28    |
|        |                                      | 42148   | 1/20/2021    | 8181160634    | SERVICE  | \$68.23    |
|        |                                      | 42148   | 1/20/2021    | 8181160634    | SERVICE  | \$76.93    |
|        | STAPLES BUSINESS CREDIT              | 42149   | 1/20/2021    | 1632299942    | SUPPLIES   | \$72.06    |
|        |                                      | 42149   | 1/20/2021    | 1632299942    | SUPPLIES   | \$500.50   |
|        | TAYLOR'S OFFICE CITY                 | 42321   | 1/26/2021    | 12/31/2020    | SUPPLIES   | \$9.39     |
|        |                                      | 42321   | 1/26/2021    | 12/31/2020    | SUPPLIES   | \$5.67     |
|        |                                      | 42321   | 1/26/2021    | 12/31/2020    | SUPPLIES   | \$109.47   |
|        |                                      | 42321   | 1/26/2021    | 12/31/2020    | SUPPLIES   | \$260.79   |
|        |                                      | 42321   | 1/26/2021    | 12/31/2020    | SUPPLIES   | \$115.97   |
|        |                                      | 42321   | 1/26/2021    | 12/31/2020    | SUPPLIES   | \$334.09   |
|        | TOWNSEND AUTO PARTS                  | 42325   | 1/26/2021    | 01/01/2021    | PARTS  | \$1.86     |
|        |                                      | 42325   | 1/26/2021    | 01/01/2021    | PARTS  | \$232.05   |
|        |                                      | 42325   | 1/26/2021    | 01/01/2021    | PARTS  | \$13.77    |
|        |                                      | 42325   | 1/26/2021    | 01/01/2021    | PARTS  | \$72.94    |
|        | TRI-COUNTY FIRE PROTECTION INC       | 42327   | 1/26/2021    | 54238         | 12/22/2020, INV#54238- ANUAL MAINTENANCE ON 3 FIRE | \$429.77   |
|        |                                      | 42327   | 1/26/2021    | 54162         | SUPPLIES FOR FIRE DEPARTMENT                       | \$70.53    |
|        |                                      | 42327   | 1/26/2021    | 54177         | SERVICE AT FIRE STATION                            | \$130.00   |
|        |                                      | 42327   | 1/26/2021    | 54110         | SERVICE AT FIRE STATION                            | \$140.49   |
|        |                                      | 42327   | 1/26/2021    | 54070         | SERVICE  | \$234.13   |

| Fund # | Vendor Name                       | Check # | Invoice Date | Invoice         | Invoice Description                          | Amount   |
|--------|-----------------------------------|---------|--------------|-----------------|--|----------|
| 0150   | TRI-COUNTY FIRE PROTECTION INC    | 42327   | 1/26/2021    | 54094           | SERVICE                                      | \$72.29  |
|        |                                   | 42327   | 1/26/2021    | 54185           | SERVICE AT POLICE STATION                    | \$83.45  |
|        | TYLER BUSINESS FORMS              | 42328   | 1/26/2021    | 56061           | 2020 W-2S, 1099S FORMS AND ENVELOPES         | \$855.69 |
|        | U S BANK CORPORATE PAYMENT SYSTEM | 42329   | 1/26/2021    | 2625-12/22/2020 | UPS REPLACEMENT BATTERY FOR PD-LOLA          | \$37.86  |
|        |                                   | 42329   | 1/26/2021    | 2625-12/22/2020 | WEB CAM & HEADSET- FINANCE DEPT.             | \$327.68 |
|        |                                   | 42329   | 1/26/2021    | 2625-12/22/2020 | IPHONE CASE & ADAPTER FOR F. ESTRADA-COUNCIL | \$50.19  |
|        |                                   | 42329   | 1/26/2021    | 2625-12/22/2020 | 5YR DOMAIN RENEWAL FOR STRAWBERRY FESTIVAL   | \$105.85 |
|        |                                   | 42329   | 1/26/2021    | 2625-12/22/2020 | INTERNET CHARGES FOR PINTO LAKE              | \$144.98 |
|        |                                   | 42329   | 1/26/2021    | 2625-12/22/2020 | WEBCAMS FOR NATHALIE & FRANCES-HR            | \$135.45 |
|        |                                   | 42329   | 1/26/2021    | 2625-12/22/2020 | SCREEN PROTECTOR F. ESTRADA PHONE            | \$9.79   |
|        |                                   | 42329   | 1/26/2021    | 2625-12/22/2020 | INTERNET CHARGES FOR PINTO LAKE              | \$144.98 |
|        |                                   | 42329   | 1/26/2021    | 2625-12/22/2020 | APC BACKUP BATTERY FOR PF-TRUJILLO           | \$54.61  |
|        |                                   | 42329   | 1/26/2021    | 2625-12/22/2020 | MONITOR CABLES FOR FINANCE                   | \$29.37  |
|        |                                   | 42329   | 1/26/2021    | 2625-12/22/2020 | EXTERNAL DRIVE FOR PD-PROPERTY EVIDENCE      | \$251.24 |
|        |                                   | 42329   | 1/26/2021    | 2625-12/22/2020 | HEADSET W/ MIC FOR FINANCE                   | \$72.89  |
|        |                                   | 42329   | 1/26/2021    | 2625-12/22/2020 | HEADSET W/ MIC FOR R. VARGAS                 | \$24.30  |
|        |                                   | 42329   | 1/26/2021    | 2625-12/22/2020 | WEBCAM FOR R. VARGAS                         | \$63.63  |
|        |                                   | 42329   | 1/26/2021    | 2625-12/22/2020 | WEBCAM FOR IRWIN-CLK                         | \$63.62  |
|        |                                   | 42329   | 1/26/2021    | 5486-12/22/2020 | PROMOTIONAL SPORT BOTTLE                     | \$288.71 |

| Fund # | Vendor Name                       | Check # | Invoice Date | Invoice         | Invoice Description                             | Amount     |
|--------|-----------------------------------|---------|--------------|-----------------|---|------------|
| 0150   | U S BANK CORPORATE PAYMENT SYSTEM | 42329   | 1/26/2021    | 5486-12/22/2020 | ONLINE MONTHLY SERVICE-PAYPAL                   | \$5.00     |
|        |                                   | 42329   | 1/26/2021    | 5486-12/22/2020 | MICRO CLEAR CASE                                | \$326.66   |
|        |                                   | 42329   | 1/26/2021    | 5486-12/22/2020 | MICRO CLEAR CASE                                | \$81.66    |
|        |                                   | 42329   | 1/26/2021    | 5486-12/22/2020 | COMPUTER LICENSES                               | \$108.00   |
|        |                                   | 42329   | 1/26/2021    | 5486-12/22/2020 | COMPUTER LICENSES                               | \$974.00   |
|        |                                   | 42329   | 1/26/2021    | 9097-12/22/2020 | MEMBERSHIP RENEWAL                              | \$150.00   |
|        |                                   | 42329   | 1/26/2021    | 9097-12/22/2020 | GEOFILTERS                                      | \$381.57   |
|        |                                   | 42329   | 1/26/2021    | 9097-12/22/2020 | GEOFILTERS                                      | \$484.64   |
|        |                                   | 42329   | 1/26/2021    | 9097-12/22/2020 | PROMO MATERIAL                                  | \$3,051.50 |
|        |                                   | 42329   | 1/26/2021    | 9097-12/22/2020 | BUSINESS CARDS                                  | \$29.35    |
|        |                                   | 42329   | 1/26/2021    | 9097-12/22/2020 | BUSINESS CARDS                                  | \$88.05    |
|        |                                   | 42329   | 1/26/2021    | 9097-12/22/2020 | MEMBERSHIP RENEWAL                              | \$110.00   |
|        |                                   | 42329   | 1/26/2021    | 9478-12/22/2020 | FIRE ENGINE HEADSET REPAIR                      | \$35.00    |
|        | VERDE DESIGN, INC.                | 42331   | 1/26/2021    | 7-1920400       | Consultant                                      | \$3,462.50 |
|        | WATSONVILLE BLUEPRINT             | 42334   | 1/26/2021    | 95727           | BOND & COPY                                     | \$58.56    |
|        |                                   | 42334   | 1/26/2021    | 96715           | 12/3/20- CITY PLAZA RESTROOMS, BOND, COPY, FILE | \$146.92   |
|        |                                   | 42334   | 1/26/2021    | 96610           | BOND & COPY                                     | \$30.79    |
|        |                                   | 42334   | 1/26/2021    | 96056           | BOND & COPY                                     | \$20.19    |
|        |                                   | 42334   | 1/26/2021    | 96052           | BOND & COPY                                     | \$20.19    |
|        |                                   | 42334   | 1/26/2021    | 96017           | BOND & COPY                                     | \$69.75    |
|        |                                   | 42334   | 1/26/2021    | 95903           | BOND & COPY                                     | \$103.72   |
|        |                                   | 42334   | 1/26/2021    | 95882           | BOND & COPY                                     | \$66.65    |

| Fund # | Vendor Name           | Check # | Invoice Date | Invoice | Invoice Description | Amount     |
|--------|-----------------------|---------|--------------|---------|---------------------|------------|
| 0150   | WATSONVILLE BLUEPRINT | 42334   | 1/26/2021    | 95736   | BOND & COPY         | \$57.77    |
|        |                       | 42334   | 1/26/2021    | 95579   | BOND & COPY         | \$65.11    |
|        |                       | 42334   | 1/26/2021    | 95546   | BOND & COPY         | \$23.23    |
|        |                       | 42334   | 1/26/2021    | 95517   | BOND & COPY         | \$36.84    |
|        |                       | 42334   | 1/26/2021    | 95513   | BOND & COPY         | \$27.20    |
|        |                       | 42334   | 1/26/2021    | 95502   | BOND & COPY         | \$13.24    |
|        |                       | 42334   | 1/26/2021    | 96018   | BOND & COPY         | \$28.91    |
|        |                       | 42334   | 1/26/2021    | 97067   | BOND & COPY         | \$135.69   |
|        |                       | 42334   | 1/26/2021    | 97091   | BOND & COPY         | \$42.56    |
|        |                       | 42334   | 1/26/2021    | 95713   | BOND & COPY         | \$103.72   |
|        |                       | 42334   | 1/26/2021    | 95685   | BOND & COPY         | \$25.43    |
|        |                       | 42334   | 1/26/2021    | 95628   | BOND & COPY         | \$657.31   |
|        |                       | 42334   | 1/26/2021    | 95622   | BOND & COPY         | \$50.74    |
|        |                       | 42334   | 1/26/2021    | 96975   | BOND & COPY         | \$98.33    |
|        |                       | 42334   | 1/26/2021    | 96964   | BOND & COPY         | \$48.77    |
|        |                       | 42334   | 1/26/2021    | 96879   | BOND & COPY         | \$131.17   |
|        |                       | 42334   | 1/26/2021    | 96767   | BOND & COPY         | \$20.84    |
|        |                       | 42334   | 1/26/2021    | 96763   | BOND & COPY         | \$62.21    |
|        |                       | 42334   | 1/26/2021    | 96761   | BOND & COPY         | \$27.60    |
|        |                       | 42334   | 1/26/2021    | 96042   | BOND & COPY         | \$38.76    |
|        |                       | 42334   | 1/26/2021    | 96760   | BOND & COPY         | \$29.61    |
|        |                       | 42334   | 1/26/2021    | 97009   | BOND & COPY         | \$34.22    |
|        |                       | 42334   | 1/26/2021    | 97007   | BOND & COPY         | \$53.35    |
|        |                       | 42334   | 1/26/2021    | 97022   | BOND & COPY         | \$105.57   |
|        |                       | 42334   | 1/26/2021    | 96984   | BOND & COPY         | \$152.75   |
|        | WATSONVILLE FORD      | 42336   | 1/26/2021    | 143016  | VEHICLE SERVICE     | \$1,630.71 |

| Fund # | Vendor Name                                       | Check # | Invoice Date | Invoice            | Invoice Description                     | Amount       |
|--------|---|---------|--------------|--------------------|---|--------------|
| 0150   | WATSONVILLE FORD                                  | 42336   | 1/26/2021    | 142974             | VEHICLE SERVICE                         | \$1,001.01   |
|        |   | 42336   | 1/26/2021    | 142549             | VEHICLE REPAIRS                         | \$199.95     |
|        | WATSONVILLE UPHOLSTERY                            | 42337   | 1/26/2021    | 002959             | SEAT COVER                              | \$202.11     |
|        |   | 42337   | 1/26/2021    | 002960             | SEAT COVER                              | \$202.11     |
|        | Fund Total  |         |              |                    |   | \$121,186.53 |
| 0160   | ICMA RETIREMENT CORP                              | 42237   | 1/26/2021    | 44819              | ACCOUNT MAINTENANCE FEE                 | \$49.50      |
|        | Fund Total  |         |              |                    |   | \$49.50      |
| 0204   | GRESHAM SAVAGE NOLAN & TILDEN APC                 | 42234   | 1/26/2021    | 377551             | LEGAL SERVICES RELATED TO HOUS          | \$1,160.77   |
|        | Fund Total  |         |              |                    |   | \$1,160.77   |
| 0210   | FIRST AMERICAN TITLE                              | 42141   | 1/20/2021    | 4408-6302141       | MEJIA-205 CLIFFORD AVENUE               | \$58,000.00  |
|        | Fund Total  |         |              |                    |   | \$58,000.00  |
| 0246   | AIRTEC SERVICE,INC                                | 42162   | 1/26/2021    | 15818              | CIVIC PLAZA MAINTENANCE                 | \$4,712.00   |
|        |   | 42162   | 1/26/2021    | 15846              | BOILER SERVICE                          | \$304.00     |
|        | PACIFIC GAS & ELECTRIC                            | 42144   | 1/20/2021    | 0498528361-5-1/10  | ELEC                                    | \$22,842.32  |
|        | U S BANK CORPORATE PAYMENT SYSTEM                 | 42329   | 1/26/2021    | 9097-12/22/2020    | CORPORATION STATEMENT OF INFORMATION    | \$25.00      |
|        | Fund Total  |         |              |                    |   | \$27,883.32  |
| 0250   | COUNTY OF SANTA CRUZ LIBRARY OF JOINT POWERS      | 42140   | 1/20/2021    | 02/2021-WATS       | MAINTENANCE OF EFFORT CONTRIB. FY20/21  | \$45,140.33  |
|        | Fund Total  |         |              |                    |   | \$45,140.33  |
| 0260   | ACE HARDWARE                                      | 42156   | 1/26/2021    | 01/01/2021         | SUPPLIES                                | \$2,944.29   |
|        | BEAR ELECTRICAL SOLUTIONS INC.                    | 42177   | 1/26/2021    | 11075              | Census Banner Install over Main Street  | \$420.00     |
|        | CALIFORNIA DEPARTMENT OF TAX & FEE ADMINISTRATION | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX | \$277.16     |
|        | CASSIDY'S PIZZA                                   | 42188   | 1/26/2021    | 4289               | XMAS PARTY                              | \$56.80      |
|        | CBRE, INC.  | 42189   | 1/26/2021    | PJM0117902P        | CONSULTING CBRE FIBER STUDY             | \$9,875.00   |

| Fund # | Vendor Name                       | Check # | Invoice Date | Invoice         | Invoice Description                     | Amount       |
|--------|-----------------------------------|---------|--------------|-----------------|---|--------------|
| 0260   | ECOLOGY ACTION OF SANTA CRUZ      | 42216   | 1/26/2021    | 66929           | CONSULTANT SERVICES FOR COMPLE          | \$19,711.79  |
|        |                                   | 42216   | 1/26/2021    | 67305           | BIKE SMART, WALK SMART AND SAF          | \$5,000.00   |
|        |                                   | 42216   | 1/26/2021    | 67305-          | BIKE SMART, WALK SMART AND SAF          | \$1,500.00   |
|        | FASTENAL COMPANY                  | 42224   | 1/26/2021    | CAWAT112406     | DISPOSABLE GLOVES                       | \$1,037.88   |
|        | GRANITE ROCK COMPANY              | 42231   | 1/26/2021    | 993998          | OHLONE PKWY TO SLOUGH TRAIL PR          | \$384,048.90 |
|        | JOVITA MOLINA                     | 42241   | 1/26/2021    | 11/25/2020      | REIMBURSEMENT- CAMPESINO GRANT SUPPLIES | \$22.91      |
|        |                                   | 42241   | 1/26/2021    | 11/25/2020      | REIMBURSEMENT- CAMPESINO GRANT SUPPLIES | \$76.37      |
|        | MARIA TERESA RODRIGUEZ            | 42250   | 1/26/2021    | 11/04/2020      | REFUND- CAMPESINO CARAVAN SUPPLIES      | \$33.87      |
|        |                                   | 42250   | 1/26/2021    | 11/04/2020      | REFUND- CAMPESINO CARAVAN SUPPLIES      | \$81.94      |
|        | MID VALLEY SUPPLY                 | 42255   | 1/26/2021    | 12/29/2020      | SUPPLIES                                | \$117.99     |
|        | MONTEREY BAY ECONOMIC PARTNERSHIP | 42257   | 1/26/2021    | 1983            | CONSULTING REGIONAL BROADBAND           | \$58,871.50  |
|        | RAIMI + ASSOCIATES, INC.          | 42304   | 1/26/2021    | DECEMBER 2020   | DOWNTOWN SPECIFIC PLAN, EIR &           | \$13,447.71  |
|        |                                   | 42304   | 1/26/2021    | NOVEMBER 2020   | DOWNTOWN SPECIFIC PLAN, EIR &           | \$1,555.91   |
|        | U S BANK CORPORATE PAYMENT SYSTEM | 42329   | 1/26/2021    | 9097-12/22/2020 | CAMPESINO CARAVAN                       | \$1,300.00   |
|        |                                   | 42329   | 1/26/2021    | 9097-12/22/2020 | CAMPESINO CARAVAN                       | \$1,260.53   |
|        |                                   | 42329   | 1/26/2021    | 9097-12/22/2020 | WATER BOTTLES                           | \$1,144.57   |
|        | VERONICA LEON                     | 42332   | 1/26/2021    | 11/27/2020      | REFUND- CAMPESINO CARAVAN SUPPLIES      | \$1,233.45   |
|        |                                   | 42332   | 1/26/2021    | 11/27/2020      | REFUND- CAMPESINO CARAVAN SUPPLIES      | \$176.87     |
|        |                                   | 42332   | 1/26/2021    | 11/27/2020      | REFUND- CAMPESINO CARAVAN SUPPLIES      | \$66.49      |
|        |                                   | 42332   | 1/26/2021    | 11/27/2020      | REFUND- CAMPESINO CARAVAN SUPPLIES      | \$45.43      |

| Fund # | Vendor Name                                       | Check # | Invoice Date | Invoice            | Invoice Description                                | Amount       |
|--------|---|---------|--------------|--------------------|--|--------------|
| 0260   | Fund Total  |         |              |                    |  | \$504,307.36 |
| 0281   | K & D LANDSCAPING INC.                            | 42242   | 1/26/2021    | 129860             | SERVICE AT 1301 MAIN ST.                           | \$3,347.12   |
|        |   | 42242   | 1/26/2021    | 129910             | SERVICE AT 1301 MAIN ST.                           | \$321.27     |
|        | PACIFIC CREST ENGINEERING, INC.                   | 42266   | 1/26/2021    | 8883               | 9/30/20, INV#8883 - ASSOCIATE CIVIL ENGINEER PLAN  | \$612.50     |
|        |   | 42266   | 1/26/2021    | 8991               | 10/31/2020, INV#8991 - FOR PROFESSIONAL SERVICES T | \$1,193.75   |
|        | Fund Total  |         |              |                    |  | \$5,474.64   |
| 0291   | CALIFORNIA DEPARTMENT OF TAX & FEE ADMINISTRATION | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX            | \$351.80     |
|        | CENTRAL COAST LANDSCAPE & MAINTENANCE             | 42190   | 1/26/2021    | 21691              | LANDSCAPE SERVICES                                 | \$2,487.00   |
|        | K & D LANDSCAPING INC.                            | 42242   | 1/26/2021    | 129964             | SERVICE  | \$1,985.00   |
|        | LEHR  | 42245   | 1/26/2021    | SI53387            | OUTFITTING OF UNIT #3                              | \$14,843.85  |
|        |   | 42245   | 1/26/2021    | SI53524            | OUTFITTING OF UNIT #24                             | \$9,363.35   |
|        | U S BANK CORPORATE PAYMENT SYSTEM                 | 42329   | 1/26/2021    | 2625-12/22/2020    | POWER SUPPLY FOR AXON CAMERA-PD                    | \$400.78     |
|        |   | 42329   | 1/26/2021    | 2625-12/22/2020    | SCREWS FOR PD AXOM CAMERA SETUP                    | \$51.10      |
|        | Fund Total  |         |              |                    |  | \$29,482.88  |
| 0305   | ACE HARDWARE                                      | 42156   | 1/26/2021    | 01/01/2021         | SUPPLIES   | \$204.73     |
|        | AIR UNLIMITED                                     | 42160   | 1/26/2021    | 290350             | INV#290350 PROPANE 10.4 GALLONS 12/28/2020         | \$33.06      |
|        | CALIFORNIA DEPARTMENT OF TAX & FEE ADMINISTRATION | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX            | \$29.60      |
|        | D&M TRAFFIC SERVICES, INC.                        | 42204   | 1/26/2021    | 75707              | INV#75707 12X18"WHITE BACKGROUND W/RED LETTERS SIG | \$122.84     |
|        | GEVEKO MARKINGS,INC                               | 42228   | 1/26/2021    | 10305001707        | PREFORMED THERMO PLASTIC STOP                      | \$5,822.57   |
|        | PACIFIC GAS & ELECTRIC                            | 42267   | 1/26/2021    | 1413903318-8-1/13  | ELEC   | \$72.94      |
|        |   | 42272   | 1/26/2021    | 1965495282-9-1/13  | ELEC   | \$1,470.62   |

| Fund # | Vendor Name                                       | Check # | Invoice Date | Invoice            | Invoice Description                                | Amount       |
|--------|---|---------|--------------|--------------------|--|--------------|
| 0305   | PACIFIC GAS & ELECTRIC                            | 42274   | 1/26/2021    | 1540833758-0-1/14  | ELEC   | \$87.21      |
|        |   | 42282   | 1/26/2021    | 1039376060-7-1/20  | ELEC   | \$131.15     |
|        |   | 42285   | 1/26/2021    | 7294900587-9-1/20  | ELEC   | \$407.09     |
|        | PKT WELDING & FABRICATION                         | 42298   | 1/26/2021    | 1890               | INV#1890 MANUFACTURE TEN MOUNTING PLATES FOR SIGNS | \$218.50     |
|        | STATEWIDE TRAFFIC SAFETY AND SIGNS INC.           | 42318   | 1/26/2021    | 05031991           | INV#05031991 207 WHITE SURVEY MARKIG PAINT & 2-WAY | \$183.11     |
|        | ULINE   | 42330   | 1/26/2021    | 127943342          | INV#127943242 12X12"SAFETY FLAG 100/PK             | \$30.17      |
|        | Fund Total  |         |              |                    |  | \$8,813.59   |
| 0306   | BEAR ELECTRICAL SOLUTIONS INC.                    | 42177   | 1/26/2021    | 11739              | TRAFFIC SIGNAL W.BEACH/OHLONE                      | \$201,951.64 |
|        | Fund Total  |         |              |                    |  | \$201,951.64 |
| 0310   | ADAMSON POLICE PRODUCTS                           | 42158   | 1/26/2021    | ORD108562          | SRT  | \$2,077.67   |
|        | CALIFORNIA DEPARTMENT OF TAX & FEE ADMINISTRATION | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX            | \$392.02     |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX            | \$23.92      |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX            | \$21.95      |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX            | \$47.63      |
|        |   | 42183   | 1/26/2021    | 221955/2           | TRAFFIC BUREAU                                     | \$1,054.73   |
|        | CREATIVE SECURITY CO., INC.                       | 42199   | 1/26/2021    | 62561              | Background Investigations                          | \$5,268.20   |
|        | LEHR  | 42245   | 1/26/2021    | SI53524            | OUTFITTING OF UNIT #24                             | \$2,630.32   |
|        | PAJARO VALLEY PREVENTION & STUDENT ASSISTANCE INC | 42295   | 1/26/2021    | 123120 PARKS       | CASE MANAGEMENT - PVPSA 9/1/20                     | \$4,503.57   |
|        |   | 42295   | 1/26/2021    | 103120 PARKS       | CASE MANAGEMENT - PVPSA 9/1/20                     | \$4,305.08   |
|        |   | 42295   | 1/26/2021    | 063020 PARKS       | CASE MANAGEMENT - PVPSA 9/1/20                     | \$6,503.12   |
|        |   | 42295   | 1/26/2021    | 093020 PARKS       | CASE MANAGEMENT - PVPSA 9/1/20                     | \$4,556.42   |



| Fund # | Vendor Name                                       | Check # | Invoice Date | Invoice            | Invoice Description                                | Amount      |
|--------|---|---------|--------------|--------------------|--|-------------|
| 0310   | PAJARO VALLEY PREVENTION & STUDENT ASSISTANCE INC | 42295   | 1/26/2021    | 123120 MEASURE G   | CASE MANAGEMENT, COUNSELING AN                     | \$4,662.91  |
|        | PANTHER PROTECTIVE SERVICE                        | 42297   | 1/26/2021    | 012-2020RES        | 12/28/2020- INV012-2020RES-SECURITY SERVICES TO 13 | \$950.00    |
|        | STOP STICK, LTD.                                  | 42319   | 1/26/2021    | 0019361-IN         | STOP STICKS FOR UNIT #3, 24 & 41                   | \$1,504.49  |
|        | Fund Total  |         |              |                    |  | \$38,502.03 |
| 0312   | BOWMAN & WILLIAMS, INC.                           | 42179   | 1/26/2021    | 15093              | ENG SERVICES FOR LAVE AVE UNDE                     | \$665.00    |
|        |   | 42179   | 1/26/2021    | 15155              | ENG SERVICES FOR LAVE AVE UNDE                     | \$4,038.25  |
|        | PACIFIC CREST ENGINEERING, INC.                   | 42266   | 1/26/2021    | 9203               | PROFESSIONAL SERVICES                              | \$6,308.75  |
|        | RINCON CONSULTANTS, INC.                          | 42309   | 1/26/2021    | 26296              | PRECONSTRUCTION COMPLIANCE SER                     | \$8,775.51  |
|        |   | 42309   | 1/26/2021    | 27098              | PRECONSTRUCTION COMPLIANCE SER                     | \$3,877.28  |
|        | TRAFFIC LOGIX CORPORATION                         | 42326   | 1/26/2021    | SIN10138           | SUPERFLEX CURB AND ACCESSORIES                     | \$13,493.73 |
|        | U S BANK CORPORATE PAYMENT SYSTEM                 | 42329   | 1/26/2021    | 4782-12/22/2020    | DRUDGING PERMIT FEE                                | \$2,066.00  |
|        |   | 42329   | 1/26/2021    | 4782-12/22/2020    | ONLINE SERVICE FEE                                 | \$47.52     |
|        | Fund Total  |         |              |                    |  | \$39,272.04 |
| 0340   | BEAR ELECTRICAL SOLUTIONS INC.                    | 42177   | 1/26/2021    | 4R1                | TRAFFIC SIGNAL W.BEACH/OHLONE                      | \$26,974.52 |
|        | PACIFIC CREST ENGINEERING, INC.                   | 42266   | 1/26/2021    | 9146               | PROFESSIONAL SERVICES                              | \$277.50    |
|        | Fund Total  |         |              |                    |  | \$27,252.02 |
| 0347   | BEAR ELECTRICAL SOLUTIONS INC.                    | 42177   | 1/26/2021    | 11739              | TRAFFIC SIGNAL W.BEACH/OHLONE                      | \$10,984.38 |
|        |   | 42177   | 1/26/2021    | 4R1                | TRAFFIC SIGNAL W.BEACH/OHLONE                      | \$79,595.62 |
|        | Fund Total  |         |              |                    |  | \$90,580.00 |
| 0354   | K & D LANDSCAPING INC.                            | 42242   | 1/26/2021    | 129962             | SERVICE  | \$891.00    |
|        | PACIFIC GAS & ELECTRIC                            | 42278   | 1/26/2021    | 0519864328-9-1/17/ | ELEC   | \$11.81     |

| Fund # | Vendor Name                                       | Check # | Invoice Date | Invoice            | Invoice Description                              | Amount     |
|--------|---|---------|--------------|--------------------|--|------------|
| 0354   | PACIFIC GAS & ELECTRIC                            | 42279   | 1/26/2021    | 0541697410-2-1/15  | ELEC   | \$12.97    |
|        |   | 42280   | 1/26/2021    | 6312050406-1-1/15  | ELEC   | \$10.46    |
|        | Fund Total  |         |              |                    |  | \$926.24   |
| 0710   | A L LEASE COMPANY, INC                            | 42153   | 1/26/2021    | 12/31/2020         | SUPPLIES   | \$252.63   |
|        | ABSOLUTE STANDARDS, INC                           | 42155   | 1/26/2021    | 197355             | SUPPLIES   | \$80.00    |
|        | ACE HARDWARE                                      | 42156   | 1/26/2021    | 01/01/2021         | SUPPLIES   | \$1,235.84 |
|        |   | 42156   | 1/26/2021    | 01/01/2021         | SUPPLIES   | \$253.29   |
|        |   | 42156   | 1/26/2021    | 01/01/2021         | SUPPLIES   | \$199.80   |
|        |   | 42156   | 1/26/2021    | 01/01/2021         | SUPPLIES   | \$62.14    |
|        | ACTUS CONSULTING GROUP, INC.                      | 42157   | 1/26/2021    | D1164              | SCIENCE WORKSHOP SUPPLIES                        | \$8,961.53 |
|        | AIRGAS USA, LLC                                   | 42161   | 1/26/2021    | 9976650705         | CYLINDER RENT                                    | \$35.38    |
|        | APPLIED INDUSTRIAL TECHNOLOGIES                   | 42164   | 1/26/2021    | 7020562423         | GLOVES   | \$30.98    |
|        |   | 42164   | 1/26/2021    | 7020656000         | PARTS  | \$128.81   |
|        |   | 42164   | 1/26/2021    | 7020666439         | PARTS  | \$80.20    |
|        | ASSOCIATION OF BAY AREA GOVERNMENTS               | 42167   | 1/26/2021    | AR024826           | GAS  | \$4,603.11 |
|        | BC LABORATORIES, INC.                             | 42176   | 1/26/2021    | B402781            | WATER SAMPLING                                   | \$246.00   |
|        | BEAR ELECTRICAL SOLUTIONS INC.                    | 42177   | 1/26/2021    | 11697              | INV#11697 TS MAINTENANCE SERVICES-BANNER INTALLS | \$560.00   |
|        |   | 42177   | 1/26/2021    | 11762              | INV#11762 TS MAINTENANCE SERVICES-BANNER INTALLS | \$375.00   |
|        | BUCKLES-SMITH ELECTRIC                            | 42180   | 1/26/2021    | 1569069-01         | PARTS  | \$90.41    |
|        |   | 42180   | 1/26/2021    | 1569069-00         | PARTS  | \$62.61    |
|        | CALCON SYSTEMS, INC                               | 42182   | 1/26/2021    | 48148              | ON-CALL SCADA                                    | \$1,160.00 |
|        | CALIFORNIA DEPARTMENT OF TAX & FEE ADMINISTRATION | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX          | \$1,136.36 |

| Fund # | Vendor Name                                       | Check # | Invoice Date | Invoice             | Invoice Description                                | Amount       |
|--------|---|---------|--------------|---------------------|--|--------------|
| 0710   | CALIFORNIA DEPARTMENT OF TAX & FEE ADMINISTRATION | 42354   | 1/28/2021    | 2020 SALES AND USE  | ACCT 026-300033- 2020 SALES AND USE TAX            | \$8.51       |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE  | ACCT 026-300033- 2020 SALES AND USE TAX            | \$11.94      |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE  | ACCT 026-300033- 2020 SALES AND USE TAX            | \$33.78      |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE  | ACCT 026-300033- 2020 SALES AND USE TAX            | \$11.62      |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE  | ACCT 026-300033- 2020 SALES AND USE TAX            | \$19.15      |
|        | CARMEL AREA WASTEWATER DISTRICT                   | 42186   | 1/26/2021    | 913                 | PFAS BILLINGS                                      | \$19,073.00  |
|        | CAROLLO ENGINEERS, INC.                           | 42187   | 1/26/2021    | 0194474             | SOLIDS THICKENING EVALUATION A                     | \$1,755.00   |
|        | COUNTY OF SANTA CRUZ-CLERK OF THE BOARD           | 42198   | 1/26/2021    | City of Watsonville | Notice of Exemption for Local Hazard Mitigation PI | \$50.00      |
|        | CWEA  | 42203   | 1/26/2021    | ID:26376            | MICHAEL D. CRANE RENEWAL                           | \$106.00     |
|        |   | 42202   | 1/26/2021    | EDDIE PASTRANO, SR  | CERTIFICATE RENEWAL // CUSTOMER #34696             | \$106.00     |
|        | DANIEL B. STEPHENS & ASSOCIATES, INC.             | 42205   | 1/26/2021    | 0246211             | VAPOR INTRUSION SAMPLING                           | \$7,111.65   |
|        | DAVIS AUTO PARTS                                  | 42208   | 1/26/2021    | 12/31/2020          | PARTS  | \$97.09      |
|        | DIRECT TV LLC                                     | 42212   | 1/26/2021    | 080885008X210104    | MONTHLY FEES                                       | \$138.24     |
|        | ECAST ENGINEERING INC.                            | 42215   | 1/26/2021    | 1                   | SANITARY SEWER MANHOLE LOCATIO                     | \$100,000.00 |
|        |   | 42215   | 1/26/2021    | 1                   | SANITARY SEWER MANHOLE LOCATIO                     | \$7,182.80   |
|        | ENVIRONMENTAL INNOVATIONS, INC.                   | 42219   | 1/26/2021    | 1289                | Coordination of City's Green B                     | \$2,387.42   |
|        | EUROFINS/EATON ANALYTICAL, INC.                   | 42222   | 1/26/2021    | L0550104            | WATER SAMPLING                                     | \$1,440.00   |
|        | FASTENAL COMPANY                                  | 42224   | 1/26/2021    | CAWAT112657         | VESTS  | \$64.54      |
|        |   | 42224   | 1/26/2021    | CAWAT112365         | SUPPLIES   | \$120.23     |
|        | FISHER SCIENTIFIC                                 | 42226   | 1/26/2021    | 7354300             | LAB SUPPLIES                                       | \$354.81     |

| Fund # | Vendor Name                            | Check # | Invoice Date | Invoice           | Invoice Description            | Amount      |
|--------|--|---------|--------------|-------------------|--------------------------------|-------------|
| 0710   | GRAINGER                               | 42230   | 1/26/2021    | 9772659380        | SUPPLIES                       | \$137.10    |
|        | GREEN RUBBER-KENNEDY AG                | 42232   | 1/26/2021    | 12/31/2020        | SUPPLIES & PARTS               | \$170.69    |
|        | GREEN TOUCH                            | 42233   | 1/26/2021    | 706               | LANDSCAPING MAINTENANCE        | \$810.00    |
|        | HARRIS & ASSOCIATES INC.               | 42235   | 1/26/2021    | 46517             | ENG SERVICES FOR PREP LOCAL HA | \$330.00    |
|        |  | 42235   | 1/26/2021    | 45471             | GRANT DEVELOPMENT ASSISTANCE   | \$1,569.50  |
|        | HYDROSCIENCE ENGINEERS, INC.           | 42236   | 1/26/2021    | 454003007         | LEE/BEACH SUB-BASIN STORM SEWE | \$9,648.75  |
|        |  | 42236   | 1/26/2021    | 454003006         | LEE/BEACH SUB-BASIN STORM SEWE | \$11,360.00 |
|        |  | 42236   | 1/26/2021    | 454003008         | LEE/BEACH SUB-BASIN STORM SEWE | \$2,610.00  |
|        |  | 42236   | 1/26/2021    | 454001017         | SUB BASIN 7 SANITARY SEWER ASS | \$1,390.00  |
|        |  | 42236   | 1/26/2021    | 454003011         | LEE/BEACH SUB-BASIN STORM SEWE | \$2,440.00  |
|        |  | 42142   | 1/20/2021    | 454003009         | LEE/BEACH SUB-BASIN STORM SEWE | \$1,757.00  |
|        | INFOSEND, INC.                         | 42238   | 1/26/2021    | 184449            | THE SCOOP- JAN 2021 INSERTS    | \$1,736.25  |
|        | KEMIRA WATER SOLUTIONS, INC.           | 42243   | 1/26/2021    | 9017695088        | WWTF FERRIC CHLORIDE SUPPLY    | \$9,679.03  |
|        | LARGE'S METAL FABRICATION, INC         | 42244   | 1/26/2021    | 126374            | PARTS                          | \$48.99     |
|        | LIEBERT CASSIDY WHITMORE               | 42246   | 1/26/2021    | 1511390           | FOR PROFESSIONAL SERVICES      | \$118.00    |
|        |  | 42246   | 1/26/2021    | 1511389           | FOR PROFESSIONAL SERVICES      | \$118.00    |
|        | MCMASTER CARR                          | 42253   | 1/26/2021    | 51471621          | CHAIN-DRIVEN HOIST TROLLEY     | \$1,460.39  |
|        |  | 42253   | 1/26/2021    | 51610062          | CHAIN DRIVEN HOIST TROLLEY     | \$723.49    |
|        | MID COAST ENGINEERS, INC.              | 42254   | 1/26/2021    | 3523              | ON CALL CONSULTING SURVEYOR SE | \$200.00    |
|        | MONTEREY BAY ANALYTICAL SERVICES, INC. | 42256   | 1/26/2021    | 2012WAT           | ANALYTICAL SERVICES            | \$117.00    |
|        |  | 42256   | 1/26/2021    | 2012WAT           | ANALYTICAL SERVICES            | \$72.00     |
|        | PACIFIC GAS & ELECTRIC                 | 42283   | 1/26/2021    | 1283243089-1-1/20 | ELEC                           | \$17,575.11 |
|        |  | 42286   | 1/26/2021    | 0998529372-0-1/21 | ELEC                           | \$78.85     |
|        | PAJARO VALLEY LOCK SHOP                | 42294   | 1/26/2021    | 12/31/2020        | SUPPLIES AND SERVICES          | \$91.05     |

| Fund # | Vendor Name                          | Check # | Invoice Date | Invoice         | Invoice Description                                | Amount     |
|--------|--------------------------------------|---------|--------------|-----------------|--|------------|
| 0710   | PAJARO VALLEY PRINTING               | 42296   | 1/26/2021    | 41572           | WATSONVILLE SLOUGH TRAIL MAPS                      | \$322.29   |
|        | POLYDYNE INC.                        | 42300   | 1/26/2021    | 1509422         | CHEMICALS FOR WASTEWATER AND R                     | \$5,409.45 |
|        | PROTECTION ENGINEERING               | 42302   | 1/26/2021    | 8249            | 30 GALLON DRUMS                                    | \$2,062.22 |
|        | RAFTELIS FINANCIAL CONSULTANTS, INC. | 42303   | 1/26/2021    | 17142           | UTILITY ENTERPRISE ANALYSIS AN                     | \$1,306.40 |
|        |                                      | 42303   | 1/26/2021    | 16919           | UTILITY ENTERPRISE ANALYSIS AN                     | \$4,301.25 |
|        |                                      | 42147   | 1/20/2021    | 17611           | UTILITY ENTERPRISE ANALYSIS AN                     | \$3,160.40 |
|        | RDO EQUIPMENT CO.                    | 42305   | 1/26/2021    | P0076239        | PARTS  | \$21.12    |
|        | REGISTER PAJARONIAN                  | 42306   | 1/26/2021    | 14335           | ADVERTISING- PUBLIC HEARING 12/01/2020 LOCAL HAZAR | \$270.76   |
|        | SCHAAF & WHEELER, CONSULTING CIVIL   | 42313   | 1/26/2021    | 33625           | MILES LANE PUMP STATION UPGRAD                     | \$9,141.22 |
|        | STATE WATER RESOURCES CONTROL BOARD  | 42317   | 1/26/2021    | *SC-123833      | State Water Resources Control Board Site Cleanup P | \$1,447.79 |
|        | TAYLOR'S OFFICE CITY                 | 42321   | 1/26/2021    | 12/31/2020      | SUPPLIES   | \$8.87     |
|        |                                      | 42321   | 1/26/2021    | 12/31/2020      | SUPPLIES   | \$186.49   |
|        |                                      | 42321   | 1/26/2021    | 12/31/2020      | SUPPLIES   | \$201.16   |
|        | THATCHER COMPANY, INC.               | 42323   | 1/26/2021    | 281277          | CHEMICALS FOR RECYCLE WATER                        | \$4,220.70 |
|        |                                      | 42323   | 1/26/2021    | 281209          | CHEMICALS FOR RECYCLE WATER                        | \$4,173.24 |
|        | U S BANK CORPORATE PAYMENT SYSTEM    | 42329   | 1/26/2021    | 4782-12/22/2020 | SUPPLIES FOR SCIENCE WORKSHOP                      | \$613.62   |
|        |                                      | 42329   | 1/26/2021    | 4782-12/22/2020 | SUBSCRIPTION RENEWAL                               | \$240.00   |
|        |                                      | 42329   | 1/26/2021    | 4782-12/22/2020 | PRINTING FOR SCIENCE WORKSHOP                      | \$2,169.64 |
|        |                                      | 42329   | 1/26/2021    | 4782-12/22/2020 | MONTHLY ONLINE SUBSCRIPTION                        | \$9.95     |
|        |                                      | 42329   | 1/26/2021    | 3055-12/22/2020 | LIGHT KIT FOR GOLF CART                            | \$178.90   |
|        |                                      | 42329   | 1/26/2021    | 3055-12/22/2020 | SCIENCE WORKSHOP                                   | \$114.69   |
|        |                                      | 42329   | 1/26/2021    | 3055-12/22/2020 | SCIENCE WORKSHOP                                   | \$34.41    |
|        |                                      | 42329   | 1/26/2021    | 3055-12/22/2020 | COLLECTIONS- SUBSCRIPTION                          | \$49.99    |
|        |                                      | 42329   | 1/26/2021    | 3055-12/22/2020 | EQUIPMENT  | \$411.95   |

| Fund # | Vendor Name                       | Check # | Invoice Date | Invoice         | Invoice Description                    | Amount       |
|--------|-----------------------------------|---------|--------------|-----------------|--|--------------|
| 0710   | U S BANK CORPORATE PAYMENT SYSTEM | 42329   | 1/26/2021    | 3055-12/22/2020 | SCIENCE WORKSHOP                       | \$9,015.83   |
|        |                                   | 42329   | 1/26/2021    | 3055-12/22/2020 | PENS                                   | \$17.46      |
|        |                                   | 42329   | 1/26/2021    | 3055-12/22/2020 | 6 POCKET CALENDARS                     | \$124.50     |
|        |                                   | 42329   | 1/26/2021    | 2625-12/22/2020 | WEBCAMS FOR LAB STAFF                  | \$327.70     |
|        |                                   | 42329   | 1/26/2021    | 2625-12/22/2020 | LAPTOP CHARGER FOR C. CASTLE-WRC       | \$32.48      |
|        |                                   | 42329   | 1/26/2021    | 2625-12/22/2020 | WEBCAMS FOR D. GREEN & ROB S.-PW       | \$135.45     |
|        |                                   | 42329   | 1/26/2021    | 2625-12/22/2020 | UPS REPLACEMENT BATTERY FOR STEVE P.   | \$37.86      |
|        |                                   | 42329   | 1/26/2021    | 2625-12/22/2020 | MONITOR CABLES FOR WRC                 | \$14.68      |
|        |                                   | 42329   | 1/26/2021    | 2625-12/22/2020 | WEBCAM WRC- MIKE W. & EDDIE P.         | \$127.26     |
|        |                                   | 42329   | 1/26/2021    | 2625-12/22/2020 | WEBCAM FOR RUBEN T. WRC                | \$63.63      |
|        |                                   | 42329   | 1/26/2021    | 2625-12/22/2020 | WEBCAM FOR STEVE P-TWO SITES           | \$127.26     |
|        | VWR INTERNATIONAL IN              | 42333   | 1/26/2021    | 8803345625      | LAB SUPPLIES                           | \$110.01     |
|        | WINZER CORPORATION                | 42340   | 1/26/2021    | 6754161         | SUPPLIES                               | \$1,230.68   |
|        | WORK WELL MEDICAL GROUP           | 42341   | 1/26/2021    | 231617          | PRE-EMPLOYMENT/DMV PHYSICALS, LAB WORK | \$1,545.00   |
|        | Fund Total                        |         |              |                 |  | \$276,833.38 |
| 0720   | A L LEASE COMPANY, INC            | 42153   | 1/26/2021    | 12/31/2020      | SUPPLIES                               | \$120.81     |
|        |                                   | 42153   | 1/26/2021    | 12/31/2020      | SUPPLIES                               | \$19.27      |
|        |                                   | 42153   | 1/26/2021    | 12/31/2020      | SUPPLIES                               | \$76.37      |
|        | ACE HARDWARE                      | 42156   | 1/26/2021    | 01/01/2021      | SUPPLIES                               | \$131.25     |
|        |                                   | 42156   | 1/26/2021    | 01/01/2021      | SUPPLIES                               | \$253.92     |
|        |                                   | 42156   | 1/26/2021    | 01/01/2021      | SUPPLIES                               | \$18.56      |

| Fund # | Vendor Name  | Check # | Invoice Date | Invoice                | Invoice Description                                   | Amount      |
|--------|--|---------|--------------|------------------------|---|-------------|
| 0720   | AGILIS SYSTEMS, LLC                                  | 42159   | 1/26/2021    | 2874385                | INV#2874385 CUSTOMER SERVICE<br>LINXUP TRACKING SERVI | \$160.93    |
|        | AJ EXCAVATION INC.                                   | 42163   | 1/26/2021    | 38658                  | 38658- UTILITY ACCT CLOSED                            | \$263.80    |
|        | AT&T   | 42168   | 1/26/2021    | 138890679-12/14        | SERVICE   | \$41.35     |
|        |  | 42168   | 1/26/2021    | 138890679-12/14        | SERVICE   | \$41.35     |
|        | BANUELOS, RICHARD                                    | 42175   | 1/26/2021    | BOOT REIMB.<br>FY20/21 | PW- BOOT REIMBURSEMENT                                | \$174.79    |
|        | CALIFORNIA DEPARTMENT OF TAX<br>& FEE ADMINISTRATION | 42354   | 1/28/2021    | 2020 SALES AND<br>USE  | ACCT 026-300033- 2020 SALES AND<br>USE TAX            | \$67.65     |
|        |  | 42354   | 1/28/2021    | 2020 SALES AND<br>USE  | ACCT 026-300033- 2020 SALES AND<br>USE TAX            | \$50.88     |
|        | CALIFORNIA H2ORTICULTURE<br>SERVICES                 | 42138   | 1/20/2021    | 1082                   | WATER CONSERVATION<br>CONSULTATIO                     | \$10,818.47 |
|        | CAROLLO ENGINEERS, INC.                              | 42187   | 1/26/2021    | 0194557                | ZONE 2 WATER RESERVOIR SITE ST                        | \$3,047.14  |
|        | CASSIDY'S PIZZA                                      | 42188   | 1/26/2021    | 4306                   | STAFF LUNCH   | \$133.37    |
|        | CENTRAL COAST LANDSCAPE &<br>MAINTENANCE             | 42190   | 1/26/2021    | 21689                  | LANDSCAPE MAINTENANCE                                 | \$627.00    |
|        | CHARTER COMMUNICATIONS                               | 42193   | 1/26/2021    | 0002463011521          | SERVICE   | \$139.50    |
|        |  | 42193   | 1/26/2021    | 0002463011521          | SERVICE   | \$30.70     |
|        |  | 42193   | 1/26/2021    | 0002463011521          | SERVICE   | \$30.70     |
|        |  | 42193   | 1/26/2021    | 0002463011521          | SERVICE   | \$30.70     |
|        |  | 42193   | 1/26/2021    | 0002463011521          | SERVICE   | \$97.26     |
|        | COMMUNITY TREE SERVICE, INC.                         | 42196   | 1/26/2021    | 13289                  | TREE SERVICE AT 1521 FREEDOM<br>BLVD.                 | \$4,200.00  |
|        | DAVEY TREE INC.                                      | 42207   | 1/26/2021    | 915202312              | TREE PRUNING  | \$5,000.00  |
|        | DIXON & SONS TIRES INC.                              | 42213   | 1/26/2021    | 12/29/2020             | TIRES AND SERVICE                                     | \$20.00     |
|        | EDWARDS TRUCK CENTER INC                             | 42217   | 1/26/2021    | 13988                  | PARTS   | \$1,395.12  |
|        |  | 42217   | 1/26/2021    | 14275                  | MANIFOLD EXHAUST                                      | \$769.60    |
|        |  | 42217   | 1/26/2021    | 14014                  | PARTS   | \$805.49    |

| Fund # | Vendor Name                                      | Check # | Invoice Date | Invoice             | Invoice Description                       | Amount      |
|--------|--|---------|--------------|---------------------|---|-------------|
| 0720   | ESPINOZA, JESUS                                  | 42221   | 1/26/2021    | BOOT REIMB. 20/21   | PW- SECOND BOOT REIMBURSEMENT FOR FY20/21 | \$71.00     |
|        | FIRST ALARM, INC.                                | 42225   | 1/26/2021    | 590344              | ALARM SERVICE                             | \$168.15    |
|        | GRAINGER   | 42230   | 1/26/2021    | 9758071105          | PARTS                                     | \$229.06    |
|        | GRANITE ROCK COMPANY                             | 42231   | 1/26/2021    | DECEMBER 2020       | BUILDING MATERIALS AND SERVICE            | \$4,341.28  |
|        |  | 42231   | 1/26/2021    | DECEMBER 2020       | BUILDING MATERIALS AND SERVICE            | \$8,517.65  |
|        |  | 42231   | 1/26/2021    | DECEMBER 2020       | BUILDING MATERIALS AND SERVICE            | \$405.32    |
|        | GREEN RUBBER-KENNEDY AG                          | 42232   | 1/26/2021    | 12/31/2020          | SUPPLIES & PARTS                          | \$51.68     |
|        | LUHDORFF & SCALMANINI CONSULTING ENGINEERS, INC. | 42247   | 1/26/2021    | 36491               | HYDROGEOLOGIC INVESTIGATION ST            | \$3,695.63  |
|        |  | 42247   | 1/26/2021    | 36407               | HYDROGEOLOGIC INVESTIGATION ST            | \$17,035.33 |
|        |  | 42247   | 1/26/2021    | 36582               | HYDROGEOLOGIC INVESTIGATION ST            | \$2,747.35  |
|        |  | 42247   | 1/26/2021    | 36808               | HYDROGEOLOGIC INVESTIGATION ST            | \$412.50    |
|        |  | 42247   | 1/26/2021    | 36809               | HYDROGEOLOGIC INVESTIGATION ST            | \$10,435.00 |
|        |  | 42247   | 1/26/2021    | 36731               | HYDROGEOLOGIC INVESTIGATION ST            | \$622.50    |
|        | MORALES, JAVIER                                  | 42258   | 1/26/2021    | BOOT REIMB. FY20/21 | PW- BOOT REIMBURSEMENT FY20/21            | \$198.63    |
|        | PACIFIC GAS & ELECTRIC                           | 42269   | 1/26/2021    | 8257828808-4-1/14   | ELEC                                      | \$9,406.59  |
|        |  | 42292   | 1/26/2021    | 8693283387-3-1/13   | ELEC                                      | \$44,731.63 |
|        | PAJARO VALLEY LOCK SHOP                          | 42294   | 1/26/2021    | 12/31/2020          | SUPPLIES AND SERVICES                     | \$65.44     |
|        | PLATT  | 42299   | 1/26/2021    | 1E65293             | PARTS                                     | \$63.34     |
|        | RAFTELIS FINANCIAL CONSULTANTS, INC.             | 42303   | 1/26/2021    | 17142               | UTILITY ENTERPRISE ANALYSIS AN            | \$1,755.48  |
|        |  | 42147   | 1/20/2021    | 17611               | UTILITY ENTERPRISE ANALYSIS AN            | \$4,246.79  |
|        | SHRED-IT USA                                     | 42148   | 1/20/2021    | 8181160634          | SERVICE                                   | \$33.89     |



| Fund # | Vendor Name                                       | Check # | Invoice Date | Invoice            | Invoice Description                     | Amount       |
|--------|---|---------|--------------|--------------------|---|--------------|
| 0720   | SHRED-IT USA                                      | 42148   | 1/20/2021    | 8181160634         | SERVICE                                 | \$33.90      |
|        | SUSAN VALENCIA                                    | 42320   | 1/26/2021    | 39225              | 39225- UTILITY ACCOUNT CLOSED           | \$40.63      |
|        | TAYLOR'S OFFICE CITY                              | 42321   | 1/26/2021    | 12/31/2020         | SUPPLIES                                | \$166.06     |
|        | TELSTAR INSTRUMENTS, INC.                         | 42322   | 1/26/2021    | 106123             | REGULATORS                              | \$4,171.70   |
|        | TOWNSEND AUTO PARTS                               | 42325   | 1/26/2021    | 01/01/2021         | PARTS                                   | \$31.13      |
|        | TRI-COUNTY FIRE PROTECTION INC                    | 42327   | 1/26/2021    | 54355              | MAINTENANCE SERVICE                     | \$333.00     |
|        | U S BANK CORPORATE PAYMENT SYSTEM                 | 42329   | 1/26/2021    | 4782-12/22/2020    | PARTS FOR AC COMPRESSOR AT WRC          | \$612.14     |
|        |   | 42329   | 1/26/2021    | 2625-12/22/2020    | MONITOR CABLES FOR U.B.                 | \$14.68      |
|        |   | 42329   | 1/26/2021    | 2625-12/22/2020    | MONITOR CABLES FOR WATER                | \$29.37      |
|        |   | 42329   | 1/26/2021    | 2625-12/22/2020    | WEBCAM FOR BEAU K.                      | \$63.62      |
|        | Fund Total  |         |              |                    |   | \$143,296.45 |
| 0730   | ACE HARDWARE                                      | 42156   | 1/26/2021    | 01/01/2021         | SUPPLIES                                | \$142.04     |
|        | AT&T  | 42169   | 1/26/2021    | 821 7244877-1-7    | SERVICE                                 | \$190.05     |
|        | CALIFORNIA DEPARTMENT OF TAX & FEE ADMINISTRATION | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX | \$131.81     |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX | \$48.10      |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX | \$21,760.26  |
|        | CHARTER COMMUNICATIONS                            | 42193   | 1/26/2021    | 0002463011521      | SERVICE                                 | \$172.72     |
|        |   | 42192   | 1/26/2021    | 0275481011121      | SERVICE                                 | \$159.33     |
|        | DAVIS AUTO PARTS                                  | 42208   | 1/26/2021    | 12/31/2020         | PARTS                                   | \$249.86     |
|        | FASTENAL COMPANY                                  | 42224   | 1/26/2021    | CAWAT111896        | LIME RAIN JACKET                        | \$121.52     |
|        | LUIS HERNANDEZ                                    | 42248   | 1/26/2021    | 12/26/2020         | AIRPORT SAFETY BOOTS                    | \$200.00     |
|        | MID VALLEY SUPPLY                                 | 42255   | 1/26/2021    | 12/29/2020         | SUPPLIES                                | \$267.09     |

| Fund # | Vendor Name                               | Check # | Invoice Date | Invoice              | Invoice Description                       | Amount     |
|--------|---|---------|--------------|----------------------|---|------------|
| 0730   | NPM, INC.                                 | 42260   | 1/26/2021    | 182442               | 12/15 LABOR & REPAIRS                     | \$995.79   |
|        | OSUNA AUTO ELECTRIC & SMALL ENGINE REPAIR | 42265   | 1/26/2021    | 40830                | PARTS                                     | \$7.20     |
|        | PACIFIC GAS & ELECTRIC                    | 42145   | 1/20/2021    | 1506815321-0-1/11    | ELEC                                      | \$129.10   |
|        |   | 42146   | 1/20/2021    | 6558284005-7-1/12    | ELEC                                      | \$512.98   |
|        |   | 42273   | 1/26/2021    | 2209323609-3-1/13    | GAS & ELEC                                | \$6,803.05 |
|        |   | 42289   | 1/26/2021    | 9830958081-3-1/21    | ELEC                                      | \$129.68   |
|        |   | 42294   | 1/26/2021    | 12/31/2020           | SUPPLIES AND SERVICES                     | \$13.96    |
|        | PAJARO VALLEY LOCK SHOP                   | 42294   | 1/26/2021    | 12/31/2020           | SUPPLIES AND SERVICES                     | \$7.84     |
|        | STATE BOARD OF EQUALIZATION               | 42315   | 1/26/2021    | 044-027221-OCT-DEC20 | UNDERGROUND STORAGE TANK FEE-OCT-DEC 2020 | \$1,298.00 |
|        | TRI-COUNTY FIRE PROTECTION INC            | 42327   | 1/26/2021    | 54352                | SERVICE                                   | \$87.00    |
|        | U S BANK CORPORATE PAYMENT SYSTEM         | 42329   | 1/26/2021    | 1312-12/22/2020      | HVAC FILTERS FOR THE AOC                  | \$91.64    |
|        |   | 42329   | 1/26/2021    | 1312-12/22/2020      | FACE MASKS                                | \$82.96    |
|        |   | 42329   | 1/26/2021    | 1312-12/22/2020      | PORTABLE IPAD CHARGERS                    | \$74.26    |
|        |   | 42329   | 1/26/2021    | 1312-12/22/2020      | AAAE MEMBERSHIP                           | \$35.00    |
|        |   | 42329   | 1/26/2021    | 1312-12/22/2020      | TERMINAL LIGHTING                         | \$1,060.89 |
|        |   | 42329   | 1/26/2021    | 1312-12/22/2020      | FUEL NOZZLES                              | \$251.02   |
|        |   | 42329   | 1/26/2021    | 1312-12/22/2020      | SD CARDS                                  | \$8.69     |
|        |   | 42329   | 1/26/2021    | 1312-12/22/2020      | RUNWAY CAMERA                             | \$150.07   |
|        |   | 42329   | 1/26/2021    | 1312-12/22/2020      | BATTERY BOX FOR RUNWAY CAMERA             | \$62.65    |

| Fund # | Vendor Name                       | Check # | Invoice Date | Invoice         | Invoice Description                                | Amount      |
|--------|-----------------------------------|---------|--------------|-----------------|--|-------------|
| 0730   | U S BANK CORPORATE PAYMENT SYSTEM | 42329   | 1/26/2021    | 1312-12/22/2020 | VIRTUAL CONFERENCE                                 | \$100.00    |
|        |                                   | 42329   | 1/26/2021    | 1312-12/22/2020 | CONVINIENCE FEE FOR JET FUEL TAX REPORTING         | \$3.27      |
|        |                                   | 42329   | 1/26/2021    | 1312-12/22/2020 | JET FUEL TAX REPORTING                             | \$142.00    |
|        |                                   | 42329   | 1/26/2021    | 1312-12/22/2020 | RUNWAY CAMERA                                      | \$209.89    |
|        |                                   | 42329   | 1/26/2021    | 1312-12/22/2020 | VENDING MACHINE SUPPLIES                           | \$91.82     |
|        | WORK WELL MEDICAL GROUP           | 42341   | 1/26/2021    | 231617          | PRE-EMPLOYMENT/DMV PHYSICALS, LAB WORK             | \$200.00    |
|        | WORLD FUEL SERVICES               | 42151   | 1/20/2021    | 725579          | PURCHASE OF AVIATION GRADE GAS                     | \$28,459.45 |
|        | Fund Total                        |         |              |                 |  | \$64,450.99 |
| 0740   | ACE HARDWARE                      | 42156   | 1/26/2021    | 01/01/2021      | SUPPLIES   | \$876.73    |
|        |                                   | 42156   | 1/26/2021    | 01/01/2021      | SUPPLIES   | \$84.90     |
|        |                                   | 42156   | 1/26/2021    | 01/01/2021      | SUPPLIES   | \$597.42    |
|        |                                   | 42156   | 1/26/2021    | 01/01/2021      | SUPPLIES   | \$116.75    |
|        |                                   | 42156   | 1/26/2021    | 01/01/2021      | SUPPLIES   | \$37.09     |
|        |                                   | 42156   | 1/26/2021    | 01/01/2021      | SUPPLIES   | \$120.04    |
|        | AGILIS SYSTEMS, LLC               | 42159   | 1/26/2021    | 2874372         | INV#2874372 SOLID WASTE LINXUP TRACKING SERVICE FO | \$459.80    |
|        | AIR UNLIMITED                     | 42160   | 1/26/2021    | 290321          | INV#290321 PROPANE 28.5 LB ON 1/13/2021            | \$90.60     |
|        |                                   | 42160   | 1/26/2021    | 290310          | INV#290310 PROPANE 38.2 GALLONS ON 12/21/2020      | \$123.11    |
|        |                                   | 42160   | 1/26/2021    | 291614          | INV#291614 PROPANE 36.6 GALLONS ON 1/20/2021       | \$117.91    |
|        |                                   | 42160   | 1/26/2021    | 290345          | INV#290345 PROPANE 29.8 GALLONS ON 1/8/2021        | \$94.72     |
|        |                                   | 42160   | 1/26/2021    | 291611          | INV#291611 PROPANE 26 GALLONS ON 1/15/2021         | \$82.64     |
|        |                                   |         |              |                 |  |             |

| Fund # | Vendor Name                                       | Check # | Invoice Date | Invoice            | Invoice Description                           | Amount     |
|--------|---|---------|--------------|--------------------|---|------------|
| 0740   | AIR UNLIMITED                                     | 42160   | 1/26/2021    | 290306             | INV#290306 PROPANE 32.5 GALLONS ON 12/28/2020 | \$104.75   |
|        |   | 42160   | 1/26/2021    | 291601             | INV#291601 PROPANE 35.7 GALLONS ON 1/5/2021   | \$113.48   |
|        | ARATA EQUIPMENT COMPANY                           | 42165   | 1/26/2021    | 1/04/2021          | REPAIR PARTS & SUPPLIES                       | \$9,636.50 |
|        | AT&T  | 42168   | 1/26/2021    | 138890679-12/14    | SERVICE                                       | \$41.33    |
|        | AUTO CARE LIFESAVER TOWING                        | 42171   | 1/26/2021    | 21-26976           | TOWING SERVICE                                | \$54.00    |
|        |   | 42171   | 1/26/2021    | 21-27234           | TOW SERVICE                                   | \$54.00    |
|        |   | 42171   | 1/26/2021    | 21-27044           | TOW SERVICE                                   | \$54.00    |
|        | AWTI 3RD EYE CAM                                  | 42172   | 1/26/2021    | 197822             | VEHICLE CAMERA                                | \$446.11   |
|        |   | 42172   | 1/26/2021    | 198459             | VEHICLE PARTS                                 | \$1,572.72 |
|        | CALIFORNIA DEPARTMENT OF TAX & FEE ADMINISTRATION | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX       | \$329.92   |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX       | \$621.57   |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX       | \$29.12    |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX       | \$129.73   |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX       | \$108.71   |
|        |   | 42354   | 1/28/2021    | 2020 SALES AND USE | ACCT 026-300033- 2020 SALES AND USE TAX       | \$907.43   |
|        |   | 42137   | 1/20/2021    | 39-000300-DEC 2020 | INTEGRATED WASTE MANAG. FEE-OCT-DEC 2020      | \$1,408.00 |
|        | CAMPOS BROS. RECOVERY, INC.                       | 42184   | 1/26/2021    | 12232              | INV#12232 APPLIANCE RECYCLER ON 12/15/2020    | \$474.00   |
|        |   | 42184   | 1/26/2021    | 12201              | INV#12201 APPLIANCE RECYCLER ON 12/22/2020    | \$481.00   |
|        |   | 42184   | 1/26/2021    | 12626              | INV#12626 APPLIANCE RECYCLER ON 1/12/2021     | \$593.00   |
|        |   | 42184   | 1/26/2021    | 12647              | INV#12647 APPLIANCE RECYCLER 1/5/2021         | \$521.00   |

| Fund # | Vendor Name                               | Check # | Invoice Date | Invoice              | Invoice Description                                   | Amount       |
|--------|---|---------|--------------|----------------------|---|--------------|
| 0740   | COAST COUNTIES TRUCK & EQUIP              | 42139   | 1/20/2021    | 12/1/2020            | PARTS & SUPPLIES                                      | \$6,206.51   |
|        |   | 42195   | 1/26/2021    | 12/30/2020           | PARTS & REPAIR SUPPLIES                               | \$852.99     |
|        |   | 42195   | 1/26/2021    | 12/30/2020           | PARTS & REPAIR SUPPLIES                               | \$6,415.36   |
|        | CORPORATE EWASTE SOLUTIONS                | 42197   | 1/26/2021    | I2001002             | ORDER #I2001002 EWASTE<br>ELECTRIC MIX, CRT, FLATSCRE | \$1,254.44   |
|        | DANIEL D. WILLIAMS EQUIPMENT<br>CO., INC. | 42206   | 1/26/2021    | 27302                | PLUG IN FEE   | \$634.69     |
|        | DAVIS AUTO PARTS                          | 42208   | 1/26/2021    | 12/31/2020           | PARTS   | \$11.07      |
|        |   | 42208   | 1/26/2021    | 12/31/2020           | PARTS   | \$24.78      |
|        |   | 42208   | 1/26/2021    | 12/31/2020           | PARTS   | \$162.92     |
|        | DIAMOND VIEW AUTO GLASS                   | 42211   | 1/26/2021    | INV-0733             | WINDSHIELD REPLACEMENT                                | \$375.00     |
|        | DIXON & SONS TIRES INC.                   | 42213   | 1/26/2021    | 12/29/2020           | TIRES AND SERVICE                                     | \$5,141.58   |
|        | FASTENAL COMPANY                          | 42224   | 1/26/2021    | CAWAT112413          | BATTERY CONTAINERS                                    | \$15.11      |
|        |   | 42224   | 1/26/2021    | CAWAT112379          | SUPPLIES  | \$40.97      |
|        |   | 42224   | 1/26/2021    | CAWAT112328          | PARTS   | \$7.51       |
|        |   | 42224   | 1/26/2021    | CAWAT112524          | PARTS   | \$3.82       |
|        |   | 42224   | 1/26/2021    | CAWAT112436          | PARTS   | \$7.67       |
|        | GCS ENVIRONMENTAL<br>EQUIPMENT SERVICES   | 42227   | 1/26/2021    | 22640                | PART FOR STOCK  | \$91.17      |
|        |   | 42227   | 1/26/2021    | 22624                | PARTS   | \$944.48     |
|        |   | 42227   | 1/26/2021    | 22577                | PARTS   | \$1,278.36   |
|        | GREEN RUBBER-KENNEDY AG                   | 42232   | 1/26/2021    | 12/31/2020           | SUPPLIES & PARTS                                      | \$88.47      |
|        |   | 42232   | 1/26/2021    | 12/31/2020           | SUPPLIES & PARTS                                      | \$98.56      |
|        | MAPISTRY, INC.                            | 42249   | 1/26/2021    | INV-3586             | COMPLIANCE SOLUTION FOR<br>ENVIRO                     | \$6,318.00   |
|        |   | 42249   | 1/26/2021    | INV-3586             | COMPLIANCE SOLUTION FOR<br>ENVIRO                     | \$6,318.00   |
|        | MID VALLEY SUPPLY                         | 42255   | 1/26/2021    | 12/29/2020           | SUPPLIES  | \$628.19     |
|        | MONTEREY REGIONAL WASTE                   | 42143   | 1/20/2021    | SCALES_APR20_0<br>10 | SOLID WASTE DISPOSAL<br>AGREEMENT                     | \$130,775.65 |

| Fund # | Vendor Name                               | Check # | Invoice Date | Invoice           | Invoice Description                                | Amount       |
|--------|---|---------|--------------|-------------------|--|--------------|
| 0740   | MONTEREY REGIONAL WASTE                   | 42143   | 1/20/2021    | SCALES_MAY20_010  | SOLID WASTE DISPOSAL AGREEMENT                     | \$85,912.21  |
|        |   | 42143   | 1/20/2021    | SCALES_JUN20_010  | SOLID WASTE DISPOSAL AGREEMENT                     | \$88,462.43  |
|        |   | 42143   | 1/20/2021    | SCALES_JUL20_010  | SOLID WASTE DISPOSAL AGREEMENT                     | \$95,131.07  |
|        |   | 42143   | 1/20/2021    | SCALES_AUG20_010  | SOLID WASTE DISPOSAL AGREEMENT                     | \$92,261.78  |
|        |   | 42143   | 1/20/2021    | SCALES_SEP20_010  | SOLID WASTE DISPOSAL AGREEMENT                     | \$125,435.38 |
|        |   | 42143   | 1/20/2021    | SCALES_OCT20_012  | SOLID WASTE DISPOSAL AGREEMENT                     | \$142,409.69 |
|        |   | 42143   | 1/20/2021    | SCALES_NOV20_012  | SOLID WASTE DISPOSAL AGREEMENT                     | \$130,127.39 |
|        |   | 42143   | 1/20/2021    | SCALES_DEC20_012  | SOLID WASTE DISPOSAL AGREEMENT                     | \$140,973.10 |
|        | OSUNA AUTO ELECTRIC & SMALL ENGINE REPAIR | 42265   | 1/26/2021    | 41002             | PARTS  | \$17.48      |
|        |   | 42265   | 1/26/2021    | 40997             | SERVICE AND BATTERY                                | \$355.63     |
|        |   | 42265   | 1/26/2021    | 40961             | DELCO ALTERNATOR                                   | \$104.87     |
|        | PACIFIC GAS & ELECTRIC                    | 42291   | 1/26/2021    | 1437608399-5-1/20 | ELEC   | \$2,116.57   |
|        | PAJARO VALLEY FABRICATION INC.            | 42293   | 1/26/2021    | 28536             | REPAIR CONTAINER #40-32                            | \$1,518.00   |
|        |   | 42293   | 1/26/2021    | 28546             | LABOR TO CUT MATERIAL                              | \$32.47      |
|        |   | 42293   | 1/26/2021    | 28574             | LABOR TO MFG BOOM EXTENSION                        | \$332.64     |
|        |   | 42293   | 1/26/2021    | 28554             | LABOR TO REPAIR TOOL BOX AND ADD HANDLES ON SWEEPE | \$374.81     |
|        |   | 42293   | 1/26/2021    | 28548             | LABOR TO REPAIR TRUCK #605                         | \$2,680.31   |
|        |   | 42293   | 1/26/2021    | 28560             | LABOR TO REPAIR TRUCK #614                         | \$2,508.00   |
|        |   | 42293   | 1/26/2021    | 28564             | LABOR TO SHEAR AND BEND                            | \$79.96      |
|        | PAJARO VALLEY LOCK SHOP                   | 42294   | 1/26/2021    | 12/31/2020        | SUPPLIES AND SERVICES                              | \$168.08     |
|        |   | 42294   | 1/26/2021    | 12/31/2020        | SUPPLIES AND SERVICES                              | \$24.43      |

| Fund # | Vendor Name                           | Check # | Invoice Date | Invoice         | Invoice Description                                | Amount      |
|--------|---------------------------------------|---------|--------------|-----------------|--|-------------|
| 0740   | RAFTELIS FINANCIAL CONSULTANTS, INC.  | 42303   | 1/26/2021    | 17142           | UTILITY ENTERPRISE ANALYSIS AN                     | \$1,020.62  |
|        |                                       | 42147   | 1/20/2021    | 17611           | UTILITY ENTERPRISE ANALYSIS AN                     | \$2,469.06  |
|        | RDO EQUIPMENT CO.                     | 42305   | 1/26/2021    | P2275039        | PART   | \$48.24     |
|        | RENE PAZ                              | 42307   | 1/26/2021    | 1-15/2021       | PW SAFETY BOOTS                                    | \$130.78    |
|        | RETAIL MARKETING SERVICES, INC.       | 42308   | 1/26/2021    | 179766          | INV#179766 CART SERVICE FOR DECEMBR 2020 57 CARTS  | \$650.00    |
|        | RNS COMMUNICATIONS, INC.              | 42310   | 1/26/2021    | CW-152021       | INV#CW152021 MOTOR VEHICLE ADVERTISING             | \$4,800.00  |
|        | SANTA CRUZ COUNTY, WEIGHTS & MEASURES | 42312   | 1/26/2021    | 10433-2021      | PERMIT #10433 LANDFILL WEIGHT VALID UNTILL DEC 202 | \$362.00    |
|        | STAPLES BUSINESS CREDIT               | 42149   | 1/20/2021    | 1632299942      | SUPPLIES   | \$174.76    |
|        | STATE WATER RESOURCES CNTRL BD        | 42316   | 1/26/2021    | WD-0185679      | INV#WD-0185679 LANDFILL ANNUALY PERMIT 7/1/2020-6/ | \$20,510.00 |
|        | TAYLOR'S OFFICE CITY                  | 42321   | 1/26/2021    | 12/31/2020      | SUPPLIES   | \$114.55    |
|        |                                       | 42321   | 1/26/2021    | 12/31/2020      | SUPPLIES   | \$133.44    |
|        |                                       | 42321   | 1/26/2021    | 12/31/2020      | SUPPLIES   | \$97.25     |
|        | TIREHUB, LLC                          | 42324   | 1/26/2021    | 18241684        | TIRE   | \$426.58    |
|        |                                       | 42324   | 1/26/2021    | 18356916        | TIRES  | \$346.12    |
|        | TOWNSEND AUTO PARTS                   | 42325   | 1/26/2021    | 01/01/2021      | PARTS  | \$4,647.82  |
|        |                                       | 42325   | 1/26/2021    | 01/01/2021      | PARTS  | \$59.98     |
|        |                                       | 42325   | 1/26/2021    | 01/01/2021      | PARTS  | \$21.83     |
|        | U S BANK CORPORATE PAYMENT SYSTEM     | 42329   | 1/26/2021    | 2625-12/22/2020 | CRUZIO CHARGE FOR CITY SITE                        | \$74.95     |
|        | WATSONVILLE CHRYSLER DODGE JEEP RAM   | 42335   | 1/26/2021    | 27242           | PART   | \$62.27     |
|        |                                       | 42335   | 1/26/2021    | 27232           | PART   | \$167.81    |
|        |                                       | 42335   | 1/26/2021    | 27291           | PART   | \$335.62    |
|        | WATSONVILLE FORD                      | 42336   | 1/26/2021    | 23161           | PARTS  | \$17.92     |
|        |                                       | 42336   | 1/26/2021    | 23258           | PARTS  | \$40.93     |
|        |                                       | 42336   | 1/26/2021    | 23294           | PART   | \$288.92    |

| Fund # | Vendor Name                          | Check # | Invoice Date | Invoice         | Invoice Description              | Amount         |
|--------|--------------------------------------|---------|--------------|-----------------|----------------------------------|----------------|
| 0740   | WATSONVILLE FORD                     | 42336   | 1/26/2021    | 23301           | PART                             | \$96.18        |
|        |                                      | 42336   | 1/26/2021    | 23290           | PART                             | \$26.74        |
|        |                                      | 42336   | 1/26/2021    | 23288           | PART                             | \$6.69         |
|        | WEST COAST RUBBER RECYCLING          | 42338   | 1/26/2021    | 21-93           | INV#21-93 TIRE DISPOSSAL         | \$829.50       |
|        | WESTERN TRUCK CENTER-SAN LEANDRO, CA | 42339   | 1/26/2021    | 084P11975       | PARTS- HYD PUMP                  | \$578.48       |
|        | Fund Total                           |         |              |                 |                                  | \$1,137,742.72 |
| 0741   | ES ENGINEERING SERVICES, LLC         | 42220   | 1/26/2021    | CINV-009564     | DOCUMENT PREPARATION FOR LANDF   | \$4,794.58     |
|        | Fund Total                           |         |              |                 |                                  | \$4,794.58     |
| 0765   | U S BANK CORPORATE PAYMENT SYSTEM    | 42329   | 1/26/2021    | 2625-12/22/2020 | USB MICE FOR COMPUTERS           | \$39.80        |
|        | Fund Total                           |         |              |                 |                                  | \$39.80        |
| 0780   | CESAR GONZALEZ                       | 42191   | 1/26/2021    | CLAIM #2021-05  | SETTLEMENT                       | \$2,000.00     |
|        | Fund Total                           |         |              |                 |                                  | \$2,000.00     |
| 0787   | WORKTERRA                            | 42150   | 1/20/2021    | WAT0221         | HEALTH BENEFITS FEB 2021         | \$603,788.70   |
|        | Fund Total                           |         |              |                 |                                  | \$603,788.70   |
| 0790   | U S BANK CORPORATE PAYMENT SYSTEM    | 42329   | 1/26/2021    | 2625-12/22/2020 | FIBER CABLES FOR INFRASTRUCTURE  | \$59.07        |
|        |                                      | 42329   | 1/26/2021    | 2625-12/22/2020 | USB MONITOR CABLES EXTENSIONS    | \$20.97        |
|        |                                      | 42329   | 1/26/2021    | 2625-12/22/2020 | FILE DISCOVERY SOFTWARE FOR I.T. | \$107.95       |
|        | Fund Total                           |         |              |                 |                                  | \$187.99       |
| 0825   | AXON ENTERPRISE, INC.                | 42173   | 1/26/2021    | SI-1703041      | TASERS                           | \$20,112.94    |
|        | Fund Total                           |         |              |                 |                                  | \$20,112.94    |
| Total  | Total                                |         |              |                 |                                  | \$4,138,200.70 |





## **MISCELLANEOUS DOCUMENTS REPORT**

### **FEBRUARY 9, 2021**

#### **1.0 MINUTES**

- Planning Commission  
October 6, 2020  
November 17, 2020  
December 1, 2020

#### **2.0 PROCLAMATIONS**

- Sharon Papo  
January 15, 2021

**MINUTES****REGULAR MEETING OF THE PLANNING COMMISSION  
OF THE CITY OF WATSONVILLE****TELECONFERENCE/REMOTE****October 6, 2020****6:02 PM**

*In accordance with City policy, all Planning Commission meetings are recorded on audio and video in their entirety and are available for review in the Community Development Department (CDD). These minutes are a brief summary of action taken.*

**1. ROLL CALL**

Chair Matthew Jones, Vice-Chair Anna Kammer, and Commissioners Ed Acosta, Gina Cole, Veronica Dorantes-Pulido, Jenny T. Sarmiento, and Jenni Veitch-Olson were present.

Staff members present were City Attorney Alan Smith, Assistant Police Chief Thomas Sims, Community Development Director Suzi Merriam, Principal Planner Justin Meek, Associate Planner Ivan Carmona, Assistant Director of Public Works Maria Esther Rodriguez, Recording Secretary Deborah Muniz, Administrative Assistant II Elena Ortiz and City Interpreter Sofia Vazquez-Flores.

**2. PLEDGE OF ALLEGIANCE**

Chair Matthew Jones led the Pledge of Allegiance.

**3. PRESENTATIONS & ORAL COMMUNICATIONS**

Principal Planner Justin Meek shared that the month of October is National Community Planning Month and encouraged everyone to visit the City's website for more information.

Commissioner Veitch-Olson reminded everyone to vote on Election Day and provided information on where to drop off ballots and vote in-person.

**A. PRESENTATION TO PLANNING COMMISSION ON FINDINGS**

Presentation was given by Community Development Director Suzi Merriam.

In answering Commissioner Sarmiento, Director Merriam stated that they plan to share tonight's presentation with the general public to provide an understanding of the planning process.

**4. PUBLIC HEARINGS****A. AN APPLICATION FOR A SPECIAL USE PERMIT WITH ENVIRONMENTAL REVIEW (PP2019-452) TO ALLOW CONVERSION OF A PORTION OF AN EXISTING TWO-STORY 75,398± SQUARE-FOOT VACANT COMMERCIAL BUILDING INTO A TWO-STORY 41,419 SQUARE-FOOT PUBLIC CHARTER SCHOOL FOR WATSONVILLE PREP SCHOOL LOCATED AT 407 MAIN STREET (APN 017-641-12), FILED BY KEVIN SVED WITH NAVIGATOR SCHOOLS, APPLICANT, ON BEHALF OF HANSEN FAMILY TRUST, PROPERTY OWNER****1) Staff Report**

The staff report was given by Associate Planner Ivan Carmona.

**2) Planning Commission Clarifying & Technical Questions**

Associate Planner Ivan Carmona and Assistant Director of Public Works Maria Esther Rodriguez, answered questions from Vice-Chair Kammer regarding the traffic impact analysis, and the use of bicycles on City sidewalks.

Assistant Director Rodriguez and Assistant Police Chief Sims answered questions from Commissioner Acosta clarifying the age of children allowed to ride bicycles on City sidewalks.

Director Merriam answered questions from Commissioner Cole pertaining to the revised alcohol ordinance, restrictions in the downtown core area, and the type of housing available at the Resetar Residential Hotel.

Commissioner Cole asked if Santa Cruz METRO was given notification of the project.

Associate Planner Carmona stated that they were not.

**3) Applicant Presentation**

Kevin Sved, Navigator Schools Chief Executive Officer, and property owner, William Hansen, both gave an overview of the project.

**4) Planning Commission Clarifying & Technical Questions**

Mr. Sved, Mr. Hansen, and Assistant Director Rodriguez, all answered questions from Commissioner Kammer in regards to notification about the project to Santa Cruz METRO, the school indoor play area and plan to meet the California Department of Education (CDE) Physical Education requirement, the Traffic Management Plan, and the Watsonville Prep Transportation Impact Analysis conducted by Kittelson & Associates, Inc.

**ADOPTED MINUTES 4.A.**

Mr. Sved, Assistant Director Rodriguez, and Assistant Police Chief Sims answered questions from Commissioner Veitch-Olson regarding the number of reported incidents on the Transportation Impact Analysis, school campus security plan, and measures they plan to implement to not exceed the school's maximum capacity of 565 students.

Commissioner Cole inquired about the timeline of the project.

Mr. Sved stated that they anticipate construction commencing in early December 2020, with a plan to open by August 2021.

Commissioner Cole asked if the students are currently attending school in person or doing distance learning.

Mr. Sved stated that they are currently doing distance learning, but just started hosting on-site for a few students at E.A. Hall Middle School.

In addressing Commissioner Cole's inquiry, Martin Hochroth, Artik Art & Architecture Principal, went over the school campus layout.

Mr. Sved, Assistant Director Rodriguez, and Mr. Hansen answered questions from Commissioner Cole regarding the early drop-off and pick-up time schedule, measures they plan to implement to limit the amount of traffic during pick-up times, the site's parking lot traffic pattern, and the percentage of students that get dropped off on campus by vehicle.

In answering Commissioner Acosta's inquiry about a future increase to the school's student capacity, Mr. Sved reiterated that they plan to cap the maximum at 565 students.

Mr. Hansen suggested to the Planning Commission that they include as part of the conditions of approval for the Special Use Permit, a maximum capacity of 600 students.

In answering Commissioner Acosta, Assistant Police Chief Sims clarified his earlier comments in regards to the policy on riding bicycles on sidewalks, as he misspoke by stating that children K through 8<sup>th</sup> grade could ride bicycles on City sidewalks.

Commissioner Veitch-Olson asked what Mr. Hansen's plans are for the building's first floor, and if those will be affected by having a school on the second floor.

Mr. Hansen went over those plans.

In answering Commissioner Dorantes-Pulido, Mr. Sved mentioned that he hopes to work with Radcliff Elementary School to help mitigate the traffic congestion that may arise in the area due to school drop-off and pick-up times.

**ADOPTED MINUTES 4.A.**

In response to Commissioner Cole's suggestion to notify Santa Cruz METRO about the project, Director Merriam confirmed that Santa Cruz METRO was indeed given notification about the proposed project because they are within 300 feet from the project.

**5) Public Hearing**

Chair Jones opened the public hearing.

Sharon Waller, Navigator Schools founder, spoke in support of the project and her reasons for doing so.

Brando Sencion, Slice Project owner, expressed concern about the amount of traffic generated in downtown, especially on Fridays.

Crystal Toriumi, Watsonville resident, spoke in support of the project and asked the Planning Commission to do the same.

William Hansen, property owner, spoke in support of the project and listed the various ways the City and community would benefit from having the school downtown.

Hearing no further comment, Chair Jones closed the public hearing.

**6) Appropriate Motion(s)**

In answering Commissioner Sarmiento's question regarding the alcohol ordinance, Director Merriam reiterated that the City Council recently approved the revised ordinance, which eliminates separation requirements for downtown business, including the school, and allows more alcohol related uses in downtown.

Commissioner Acosta expressed concern about the safety of the school children in the downtown area.

**FIRST MOTION (Failed):** It was moved by Commissioner Acosta, seconded by Commissioner Dorantes-Pulido, to deny the following resolution:

**RESOLUTION NO. 17-20 (PC):**

**RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WATSONVILLE, CALIFORNIA, APPROVING A SPECIAL USE PERMIT WITH ENVIRONMENTAL REVIEW (PP2019-452) TO ALLOW CONVERSION OF A PORTION OF AN EXISTING TWO STORY 75,348± SQUARE FOOT COMMERCIAL BUILDING INTO A TWO-STORY 41,419± SQUARE FOOT PUBLIC CHARTER SCHOOL FOR WATSONVILLE PREP SCHOOL ON A 4.83± ACRE SITE LOCATED AT 407 MAIN STREET (APN 017-641-12)**

**7) Deliberation**

Director Merriam requested that if the Planning Commission is leaning towards denying the project, they allow City staff time to continue the item and make findings for denial.

In answering Commissioner Kammer's questions, City Attorney Smith went over the voting procedure.

Commissioner Cole spoke in support of staff's recommendation, as she sees that all conditions of approval are met and the findings have enough supporting evidence to move forward with the project. She urged the rest of the Commission to analyze those findings before casting a vote.

Commissioners Acosta and Dorantes-Pulido both shared their reasons for making a motion to deny staff recommendation, but would be willing to reconsider if given more time to review the findings.

Commissioner Kammer expressed opposition to denying the project, and instead, listed some of the conditions she would like staff to go over and have the applicant reconsider.

**8) Chair Calls for a Vote on Motion(s)**

**FIRST MOTION (Failed):** The above motion failed by the following vote:

|         |   |
|---------|---|
| AYES:   | COMMISSIONERS: Acosta, Dorantes-Pulido, Sarmiento |
| NOES:   | COMMISSIONERS: Cole, Kammer, Veitch-Olson, Jones  |
| ABSENT: | COMMISSIONERS: None                               |

**SECOND MOTION (Approved):** It was moved by Commissioner Cole, seconded by Chair Jones, to approve staff recommendation by the following vote:

|         |   |
|---------|---|
| AYES:   | COMMISSIONERS: Cole, Kammer, Veitch-Olson, Jones  |
| NOES:   | COMMISSIONERS: Acosta, Dorantes-Pulido, Sarmiento |
| ABSENT: | COMMISSIONERS: None                               |

**FIRST AMENDMENT TO SECOND MOTION (Failed):** It was moved by Vice-Chair Kammer, seconded by Chair Jones, to approve staff recommendation and include a condition to the Special Use Permit to remove the seventh and eighth grade levels and reduce the school count by 120 students, and incorporate an outdoor component to the physical education curriculum of twice a month.

|         |   |
|---------|---|
| AYES:   | COMMISSIONERS: Dorantes-Pulido, Kammer                      |
| NOES:   | COMMISSIONERS: Acosta, Cole, Sarmiento, Veitch-Olson, Jones |
| ABSENT: | COMMISSIONERS: None   |

**ADOPTED MINUTES 4.A.**

Commissioner Kammer explained the reasoning for her vote and encouraged the applicant to consider offering an outdoor physical component for the benefit of the students.

Commissioner Veitch-Olson strongly encouraged the applicant provide education about traffic safety for students, parents or others that will be on site, particularly during peak hours.

Commissioner Dorantes-Pulido agreed with Commissioner Kammer's addition of an outdoor component, and encouraged the applicant to offset the start and end school time to help minimize the traffic impact that may arise with the neighboring Radcliff Elementary school hours.

Chair Jones shared that he voted in support due to the project's scaled approach, which allows time to assess the traffic impacts and safety concerns.

Mr. Hansen stated that to further ensure the safety of the students, they will commit to having crosswalk guards present during school drop-off and pick-up times, and will work with Navigator Schools to incorporate an outdoor component for the school children.

**5. REPORT OF THE SECRETARY**

The report was given by Director Merriam.

**7. ADJOURNMENT**

Chair Jones adjourned the meeting 9:24 PM. The next remote/teleconference Planning Commission meeting is scheduled for Tuesday, November 17, 2020, at 6:00 PM.

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Suzi Merriam, Secretary  
Planning Commission

DocuSigned by:



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Matthew H. Jones, Chair  
Planning Commission

**MINUTES****REGULAR MEETING OF THE PLANNING COMMISSION  
OF THE CITY OF WATSONVILLE****TELECONFERENCE/REMOTE****November 17, 2020****6:07 PM**

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**1. ROLL CALL**

Chair Matthew Jones, Vice-Chair Anna Kammer, and Commissioners Ed Acosta, Gina Cole, Veronica-Dorantes Pulido, and Jenni Veitch-Olson were present. Commissioner Jenny T. Sarmiento was absent.

Staff members present were City Attorney Alan Smith, Community Development Director Suzi Merriam, Principal Planner Justin Meek, Associate Planner Ivan Carmona, Assistant Planner Sarah Wikle, Recording Secretary Deborah Muniz, Administrative Assistant II Maria Elena Ortiz and City Interpreter Carlos Landaverry.

**2. PLEDGE OF ALLEGIANCE**

Chair Matthew Jones led the Pledge of Allegiance.

**3. PRESENTATIONS & ORAL COMMUNICATIONS**

Commissioner Gina Cole invited the public to participate in the Santa Cruz County Active Transportation Plan survey.

**A. PRESENTATION TO PLANNING COMMISSION ON CURRENT PLANNING VS ADVANCED PLANNING**

The presentation was given by Community Development Director Suzi Merriam.

In answering Commissioner Veitch-Olson, Community Development Director Merriam provided some insight as to how and when the General Plan is updated.

Director Merriam answered questions from Vice-Chair Kammer regarding revisions to Chapter 12 (Public Safety) of the General Plan.

**4. CONSENT AGENDA**



**ADOPTED MINUTES 4.A.****A. MOTION APPROVING MINUTES OF SEPTEMBER 1, 2020 REGULAR MEETING**

**MOTION:** It was moved by Vice-Chair Kammer, seconded by Chair Jones, and carried by the following vote to approve the Consent Agenda:

|         |                |   |
|---------|----------------|---|
| AYES:   | COMMISSIONERS: | Acosta, Cole, Dorantes-Pulido, Kammer,<br>Veitch-Olson, Jones |
| NOES:   | COMMISSIONERS: | None  |
| ABSENT: | COMMISSIONERS: | Sarmiento   |

**5. PUBLIC HEARINGS**

**A. AN APPLICATION FOR A SPECIAL USE PERMIT (APPLICATION NO. 70) TO ALLOW THE ESTABLISHMENT OF AN OFF-SALE GENERAL (TYPE 21) ABC LICENSE UNDER NEW OWNERSHIP FOR AN EXISTING LIQUOR STORE (WATSONVILLE FIESTA LIQUORS) LOCATED AT 602 EAST LAKE AVENUE (APN 018-302-06), FILED BY SAMER KRIDI, APPLICANT, ON BEHALF OF CLEMENTINE JONES, PROPERTY OWNER**

**1) Staff Report**

The staff report was given by Assistant Planner Sarah Wikle.

**2) Planning Commission Clarifying & Technical Questions**

In answering Commissioner Cole, Assistant Planner Wikle clarified that the Special Use Permit will apply to both addresses at 602 and 604 East Lake Avenue, as both parcels are under one common ownership.

**3) Applicant Presentation**

Eddy Barakat, on behalf of the applicant, gave an overview of the business.

**4) Planning Commission Clarifying & Technical Questions**

In answering Commissioner Acosta, Mr. Barakat stated that the Barsi's Liquor sign will remain where it is currently.

**5) Public Hearing**

Chair Jones opened the public hearing.

Hearing no comment, Chair Jones closed the public hearing.

**6) Appropriate Motion(s)**

**MAIN MOTION:** It was moved by Vice-Chair Kammer, seconded by Commissioner Dorantes-Pulido, to approve the following resolution:

**RESOLUTION NO. 18-20 (PC):**

**RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WATSONVILLE, CALIFORNIA, APPROVING A SPECIAL USE PERMIT (APPLICATION NO. 70) TO ALLOW THE ESTABLISHMENT OF AN OFFSALE GENERAL (TYPE 21) ABC LICENSE UNDER NEW OWNERSHIP FOR AN EXISTING ± 2,000 SQUARE FOOT LIQUOR STORE (WATSONVILLE FIESTA LIQUOR) LOCATED AT 602 EAST LAKE AVENUE, WATSONVILLE, CALIFORNIA (APN 017-063-02)**

**7) Deliberation**

In answering Commissioner Cole's questions regarding signage and parking lot improvements, Assistant Planner Wikle stated any changes would need to be reviewed and approved by City staff, as the Special Use Permit only applies for the change of ownership.

**8) Chair Calls for a Vote on Motion(s)**

**MAIN MOTION:** The above motion carried by the following vote:

|         |                |  |
|---------|----------------|--|
| AYES:   | COMMISSIONERS: | Acosta, Cole, Dorantes-Pulido, Kammer, Veitch-Olson, Jones |
| NOES:   | COMMISSIONERS: | None   |
| ABSENT: | COMMISSIONERS: | Sarmiento  |

- B. AN APPLICATION FOR A SPECIAL USE PERMIT (APPLICATION NO. 359) TO ALLOW THE ESTABLISHMENT OF SMALL BEER MANUFACTURER (TYPE 23) ABC LICENSE UNDER NEW OWNERSHIP FOR AN EXISTING MICROBREWERY WITH A 780 SQUARE FOOT TASTING ROOM (ELKHORN SLOUGH BREWING LLC DBA THE SLOUGH BREWING COLLECTIVE) LOCATED AT 65 HANGAR WAY, SUITE D (APN 015-111-24), FILED BY THE SLOUGH BREWING COLLECTIVE, APPLICANT, ON BEHALF OF SAM BISHOP, PROPERTY OWNER**

**1) Staff Report**

The staff report was given by Assistant Planner Sarah Wikle.

**2) Planning Commission Clarifying & Technical Questions**

Assistant Planner Wikle answered questions from Commissioner Cole regarding the condition of approval for the increased brewery floor space.

**3) Applicant Presentation**

Ben Ward, Erix Celis, and Jorge Vazquez, applicants, gave a brief overview of their business experience.

**4) Planning Commission Clarifying & Technical Questions**

In answering Commissioner Veitch-Olson, Assistant Planner Wikle and Director Merriam spoke about brewpub/brewery license allowance within city limits.

**5) Public Hearing**

Chair Jones opened the public hearing.

Xitlali spoke in support of the license transfer.

Michael Enos, Elkhorn Slough Brewery owner, spoke favorably about the transfer and new owners.

Frances Salgado Chavez spoke in support of staff recommendation.

Lupita Sanchez expressed her support for the transfer and spoke highly about Elkhorn Slough Brewery.

Hearing no further comment, Chair Jones closed the public hearing.

**6) Appropriate Motion(s)**

**MAIN MOTION:** It was moved by Commissioner Veitch-Olson, seconded by Vice-Chair Kammer, to approve the following resolution:

**RESOLUTION NO. 19-20 (PC):**

**RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WATSONVILLE, CALIFORNIA, APPROVING A SPECIAL USE PERMIT (APPLICATION NO. 359) TO ALLOW THE ESTABLISHMENT OF A SMALL BEER MANUFACTURER (TYPE 23) ABC LICENSE UNDER NEW OWNERSHIP FOR AN EXISTING MICROBREWERY WITH A 780 SQUARE FOOT TASTING ROOM (ELKHORN SLOUGH BREWING LLC DBA THE SLOUGH BREWING COLLECTIVE) LOCATED AT 65 HANGAR WAY, SUITE D, WATSONVILLE, CALIFORNIA (APN 015-111- 24)**

**7) Deliberation**

Commissioner Veitch-Olson thanked Ms. Rebecca Royston for submitting a letter in support of staff recommendation.

**8) Chair Calls for a Vote on Motion(s)**

**MAIN MOTION:** The above motion carried by the following vote:

|         |                |  |
|---------|----------------|--|
| AYES:   | COMMISSIONERS: | Acosta, Cole, Dorantes-Pulido, Kammer, Veitch-Olson, Jones |
| NOES:   | COMMISSIONERS: | None   |
| ABSENT: | COMMISSIONERS: | Sarmiento  |

**6. REPORT OF THE SECRETARY**

The report was given by Director Merriam.

**7. ADJOURNMENT**

Chair Jones adjourned the meeting at 7:26 PM. The next remote/teleconference Planning Commission meeting is scheduled for Tuesday, December 1, 2020, at 6:00 PM.

DocuSigned by:  
*Suzi Merriam*  
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Suzi Merriam, Secretary  
Planning Commission

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*Anna Kammer*  
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Matthew H. Jones, Chair  
Planning Commission

**MINUTES****REGULAR MEETING OF THE PLANNING COMMISSION  
OF THE CITY OF WATSONVILLE****TELECONFERENCE/REMOTE****December 1, 2020****6:02 PM**

*In accordance with City policy, all Planning Commission meetings are recorded on audio and video in their entirety and are available for review in the Community Development Department (CDD). These minutes are a brief summary of action taken.*

**1. ROLL CALL**

Chair Matthew Jones, Vice-Chair Anna Kammer, and Commissioners Ed Acosta, Gina Cole, Veronica Dorantes-Pulido, Jenny T. Sarmiento and Jenni Veitch-Olson were present.

Staff members present were City Attorney Alan Smith, Community Development Director Suzi Merriam, Principal Planner Justin Meek, Associate Planner Ivan Carmona, Sr. Utilities Engineer Jackie McCloud, Administrative Assistant II Maria Elena Ortiz and City Interpreter Carlos Landaverry.

**2. PLEDGE OF ALLEGIANCE**

Chair Matthew Jones led the Pledge of Allegiance.

**3. PRESENTATIONS & ORAL COMMUNICATIONS**

Commissioner Veitch-Olson thanked both Chair Jones and Commissioner Sarmiento for their years of service on the Planning Commission.

Vice-Chair Kammer commended Chair Jones and Commissioner Sarmiento for their leadership and work on the Planning Commission. Additionally, she encouraged the public and Commissioners to take the Climate Action and Adaptation survey on the City's website.

Commissioner Sarmiento thanked the Planning Commission and City staff for their collaboration and support over the years.

Commissioner Cole commended Chair Jones and Commissioner Sarmiento for their work on the Planning Commission, and encouraged everyone to support a local charity as part of Giving Tuesday.

Commissioner Acosta thanked both Chair Jones and Commissioner Sarmiento for serving the community.

**ADOPTED MINUTES 4.A.**

Commissioner Dorantes-Pulido also commended Chair Jones and Commissioner Sarmiento for their work and wished them luck on their future endeavors.

Chair Jones spoke about his experience while serving on the Planning Commission. He thanked the Commissioners he worked with, both past and present, and City staff for their work and support throughout the years.

**A. PRESENTATION TO PLANNING COMMISSION ON INFORMATION AVAILABLE TO THE PLANNING COMMISSION**

Presentation was given by Community Development Director Suzi Merriam.

Chair Jones thanked Director Merriam for her presentation and encouraged the rest of the Planning Commission to read the City Charter.

In answering Vice-Chair Kammer, Director Merriam stated that the General Plan usually gets updated every 20 to 30 years.

**4. PUBLIC HEARINGS**

**A. AN APPLICATION FOR A SPECIAL USE PERMIT WITH DESIGN REVIEW, LOT CONSOLIDATION AND ENVIRONMENTAL REVIEW (APPLICATION NO. 7) TO ALLOW THE CONSTRUCTION OF A NEW 9,884± SQUARE FOOT AUTOMOTIVE RESTORATION SHOP LOCATED AT 140 GROVE STREET (APN 017-252-25 & -26), FILED BY RON GORDON, APPLICANT, ON BEHALF OF HANK WEMPE, PROPERTY OWNER**

**1) Staff Report**

The staff report was given by Associate Planner Ivan Carmona.

**2) Planning Commission Clarifying & Technical Questions**

Associate Planner Carmona answering questions from Commissioner Cole regarding the lot consolidation, project timeline, conditions of approval, parcel setbacks and parking.

**3) Applicant Presentation**

Hank Wempe, applicant, introduced himself to the Planning Commission.

In answering Commissioners Veitch-Olson and Cole, Mr. Wempe gave an overview of his business and plans for the expansion.

**4) Planning Commission Clarifying & Technical Questions**

None

**5) Public Hearing**

Chair Jones opened the public hearing.

Hearing no comment, Chair Jones closed the public hearing.

**6) Appropriate Motion(s)**

**MAIN MOTION:** It was moved by Vice-Chair Kammer, seconded by Commissioner Acosta, to approve the following resolution:

**RESOLUTION NO. 20-20 (PC):**

**RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WATSONVILLE, CALIFORNIA, APPROVING A SPECIAL USE PERMIT WITH DESIGN REVIEW, LOT CONSOLIDATION, AND ENVIRONMENTAL REVIEW (APPLICATION NO. 7) TO ALLOW CONSTRUCTION OF A NEW 9,884± SQUARE-FOOT AUTOMOTIVE RESTORATION SHOP ON A 0.29± ACRE SITE LOCATED AT 140 GROVE STREET (APN 017-252-25 & -26)**

**7) Deliberation**

In answering Commissioner Cole, Associate Planner Carmona stated that 12,000 square-feet of impervious surface will be created on the parcel and three drainage management areas onsite will drain storm water into the City's sewer system.

**8) Chair Calls for a Vote on Motion(s)**

**MAIN MOTION:** The above motion carried by the following vote:

|         |  |
|---------|--|
| AYES:   | COMMISSIONERS: Acosta, Cole, Dorantes-Pulido, Kammer, Sarmiento, Veitch-Olson, Jones |
| NOES:   | COMMISSIONERS: None  |
| ABSENT: | COMMISSIONERS: None  |

**B. RECOMMENDATION TO CITY COUNCIL ON AN AMENDMENT TO CHAPTER 12.A ENVIRONMENTAL AND PUBLIC SAFETY OF THE WATSONVILLE 2005 GENERAL PLAN TO INCORPORATE THE LOCAL HAZARD MITIGATION PLAN BY REFERENCE INTO THE PUBLIC SAFETY ELEMENT OF THE GENERAL PLAN**

**1) Staff Report**

The staff report was given by Sr. Utilities Engineer Jackie McCloud and Principal Planner Justin Meek.

**2) Planning Commission Clarifying & Technical Questions**

In answering Commissioner Sarmiento, Sr. Utilities Engineer McCloud went over the communication tools they have implemented to keep the public informed in the event of a natural disaster.

Commissioner Cole thanked Sr. Utilities Engineer McCloud for all of her work on this project.

Sr. Utilities Engineer McCloud thanked Director Merriam and Principal Planner Meek for their collaboration on this project. She also made mention that this was a grant funded project that was fully funded by the State of California.

**3) Public Hearing**

Chair Jones opened the public hearing.

Hearing no comment, Chair Jones closed the public hearing.

**4) Appropriate Motion(s)**

**MAIN MOTION:** It was moved by Commissioner Cole, seconded by Commissioner Sarmiento, to approve the following resolution:

**RESOLUTION NO. 21-20 (PC):**

**RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WATSONVILLE, CALIFORNIA, APPROVING AN AMENDMENT OF THE SAFETY ELEMENT OF THE 2005 WATSONVILLE GENERAL PLAN TO INCORPORATE THE 2020 SINGLE JURISDICTION LOCAL HAZARD MITIGATION PLAN**

**5) Deliberation**

In answering Commissioner Kammer's inquiry regarding the addition of communication strategies into the Local Hazard Mitigation Plan, Sr. Utilities Engineer McCloud stated that it may already be included in the Plan, but since the Plan is reviewed on an annual basis, they are able to update and add additional mitigation strategies as needed.

**6) Chair Calls for a Vote on Motion(s)**

**MAIN MOTION:** The above motion carried by the following vote:

|         |                |   |
|---------|----------------|---|
| AYES:   | COMMISSIONERS: | Acosta, Cole, Dorantes-Pulido, Kammer, Sarmiento, Veitch-Olson, Jones |
| NOES:   | COMMISSIONERS: | None  |
| ABSENT: | COMMISSIONERS: | None  |



**ADOPTED MINUTES 4.A.**

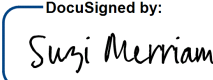
Prior to the report of the Secretary, Chair Jones thanked Mayor Pro Tempore Trina Coffman-Gomez for appointing him to the Planning Commission.

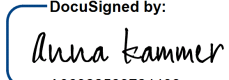
**5. REPORT OF THE SECRETARY**

Director Merriam thanked Chair Jones and Commissioner Sarmiento for their years of service on the Planning Commission and proceeded to give her report.

**6. ADJOURNMENT**

Chair Jones adjourned the meeting at 8:05 PM. The next remote/teleconference Planning Commission meeting is scheduled for Monday, January 11, 2021, at 6:00 PM.

DocuSigned by:  
  
7604AA869306458...  
Suzi Merriam, Secretary  
Planning Commission

DocuSigned by:  
  
A06922583724408...  
Matthew H. Jones, Chair  
Planning Commission



# *P*roclamation

*Sharon Esther Papo*  
*January 15, 2021*

- WHEREAS,** Sharon Papo has been an advocate of justice and equality for the LGBTQ+ community in our County for over fifteen years; and
- WHEREAS,** Sharon earned a B.A. in Feminist Studies from UCSC and a Master's Degree in Social Welfare from UC Berkeley, then became a Licensed Clinical Social Worker; and
- WHEREAS,** Sharon has served as the leader of the Santa Cruz based LGBTQ+ program STRANGE, and has worked as a counselor for marginally housed youth through Encompass Community Services; and
- WHEREAS,** Sharon is currently Executive Director of The Diversity Center of Santa Cruz County, and has successfully led the Center through numerous funding, policy and pandemic challenges; and
- WHEREAS,** Sharon has also steered the Diversity Center to place a specific focus on the needs of the most vulnerable segments of our local LGBTQ+ population, namely youth, seniors, queer people of color and those who identify as transgender or gender neutral; and
- WHEREAS,** Sharon has collaborated with key local health organizations to train hundreds of clinicians and frontline medical staff in providing culturally appropriate services to the LGBTQ+ community; and
- WHEREAS,** Sharon has built strong partnerships with social service organizations throughout the County, including Pajaro Valley Prevention & Student Assistance, to ensure a visible queer presence and aid in South County; and
- WHEREAS,** under Sharon's leadership, the Center has tripled its financial support from various sources, including a two-year \$1 million dollar Safe Harbor Capital Campaign which has helped create a spacious permanent center for the LGBTQ+ community; and
- WHEREAS,** Sharon's positive attitude, graciousness and dedication have served her well in sharing with leaders and other citizens the challenges faced by LGBTQ+ people as well as the need to provide support services.

**NOW, THEREFORE,** I, Jimmy Dutra, Mayor of the City of Watsonville, in the State of California, on behalf of the City Council hereby recognize Sharon Esther Papo, LCSW, for being a thoughtful and strong advocate in creating anti-racist consciousness and action as a primary element of the Diversity Center's mission and honor her various contributions to the County.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Watsonville to be affixed this 15<sup>th</sup> day of January, Two thousand and twenty one.

  
Jimmy Dutra, Mayor

WATSONVILLE, CALIFORNIA



## **Local Agency Formation Commission of Santa Cruz County**

Regular Meeting - Report

Wednesday, February 3, 2021 -- 9am

Actions pertaining to the City of Watsonville -- Report:

On Wednesday, February, 3, 2021, the Local Agency Formation Commission (LAFCO) of Santa Cruz County met to discuss and consider a small number of governmental boundary change proposals. For those unfamiliar with the role of LAFCO, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 states that among its many purposes, this body seeks to discourage urban sprawl, preserve open-space and prime agricultural lands, efficiently provide governmental services, and encourage the orderly formation and development of local agencies based upon local conditions and circumstances.

At the meeting, LAFCO adopted draft resolution (No. 2021-03) approving the extraterritorial water service agreement between the City of Watsonville and the landowner of a single parcel at Blakeridge Lane/Blake Avenue, which although is outside the city limit, is still within the water service area.

For more information on the meeting, please refer to the agenda:

<https://www.santacruzlafco.org/wp-content/uploads/2021/01/FULL-Agenda-Packet-2-3-21.pdf>

For information on LAFCO or the meeting held on February 3, 2021, please feel free to email me at: francisco.estrada@cityofwatsonville.org



*Santa Cruz County Regional Transportation Commission  
1523 Pacific Avenue, Santa Cruz, CA 95060  
phone: (831) 460-3200 ~ fax: (831) 460-3215  
email: [info@sccrtc.org](mailto:info@sccrtc.org); website: [www.sccrtc.org](http://www.sccrtc.org)*

*CONTACTS: Shannon Munz, Communications Specialist ([smunz@sccrtc.org](mailto:smunz@sccrtc.org))  
Guy Preston, Executive Director  
Luis Pavel Mendez, Deputy Director*

## **Santa Cruz County Regional Transportation Commission (RTC) February 4, 2021 Meeting Highlights**

### **Measure D Taxpayer Oversight Committee Appointments**

Measure D, which was approved by over 2/3 of Santa Cruz County voters in November 2016, includes the formation of an oversight committee. In September 2018, the RTC appointed five members to the newly-formed committee for a term of two years. The terms for the original committee members expired in September 2020. At this time, three members chose not to seek reappointment leaving three vacancies on the committee. The Regional Transportation Commission (RTC) appointed three new committee members representing Districts 1, 4 and 5 to the Measure D Taxpayer Oversight Committee, and reappointed the two current committee members representing Districts 2 and 3 to a second two-year term.

### **Transit Corridor Alternatives Analysis and Rail Network Integration Study – Final Draft Report and Locally Preferred Alternative**

The Regional Transportation Commission (RTC) adopted a resolution accepting the [Transit Corridor Alternatives Analysis and Rail Network Integration Study \(TCAA/RNIS\)](#) which selects electric passenger rail as the locally preferred alternative. The Transit Corridor Alternatives Analysis used a triple bottom line framework for evaluating high-capacity transit investment options that provide an integrated transit network for Santa Cruz County utilizing all or part of the length of the Santa Cruz Branch Rail Line as a dedicated transit facility. The next step will be for RTC staff to develop a Business Plan with a horizon year of 2045 for the locally preferred alternative. The Business Plan will outline the funding and implementation strategy including a cash-flow analysis of environmental clearance, right-of-way, design, construction, operations, and maintenance. The Business Plan will be presented to the RTC for acceptance at the April 1, 2021 meeting.

### **Upcoming RTC and Committee Meetings**

Due to precautions associated with COVID-19 (coronavirus), **all RTC and committee meetings will be held by teleconference only until further notice**. Please check the RTC website [<https://sccrtc.org/meetings/calendar/>] or call 460-3200 to confirm meeting and teleconference information. Agendas are posted to the website at least 3 days before the meeting. Meetings may be canceled if there are no action items to be considered by the committee.

The RTC is committed to its compliance with the Americans with Disabilities Act (ADA) during this time of national emergency. Please contact the RTC at least 3 days in advance of a meeting if special accommodations are needed. If any

document, webpage, meeting, or recording is inaccessible to you, kindly notify us at [info@sccrtc.org](mailto:info@sccrtc.org) or by calling 831-460-3200.

**Regional Transportation Commission**

Thursday, March 4, 2021, 9:00 a.m.

**Bicycle Advisory Committee Special Meeting**

Monday, February 8, 2021, 6:00 p.m.

**Elderly & Disabled Transportation Advisory Committee**

Tuesday, February 9, 2021, 1:30 p.m.

**Interagency Technical Advisory Committee**

Thursday, February 18, 2021, 1:30 p.m.

*Public input on transportation issues is welcomed and encouraged. For more information, visit the SCCRTC website at [www.sccrtc.org](http://www.sccrtc.org) or call 460-3200. Some Regional Transportation Commission meetings are televised countywide by Community TV of Santa Cruz. Consult [www.communitytv.org](http://www.communitytv.org) or call 831-425-8848 for schedule and station information.*





# *P*roclamation

## *Queen's Shoes & More*

### *January 19, 2021*

- WHEREAS,** Sindy Hernandez, founder and owner of Queen's Shoes & More, immigrated to Watsonville from a small town in Michocán, México at the age of 14; and
- WHEREAS,** Queen's doors first opened on April 28, 2007 with the goal of bringing timeless fashion of high quality at reasonable prices to the community; and
- WHEREAS,** the idea for Queen's was born from Sindy's love of fashion, and her desire to showcase her own clothing line, SINDY Collection, which she designs and is then produced locally in Watsonville and Salinas; and
- WHEREAS,** every year Queen's hosts a fashion show and Shopping for a Cause event, now known as Fashion Cares, to bring awareness about the various local non- profits; and
- WHEREAS,** Queen's uses this event to adopt a different organization each year and raise funds through Shop for a Cause, and invites representatives of said organization to attend the event and educate them about what they do for the community and how Queen's can help; and
- WHEREAS,** this event hosts over 100 attendees yearly, helping several institutions such as CASA of Santa Cruz County, Jacob's Heart, Angel Warriors for Kids, Monarch Services, Pajaro Valley Shelter Services and FIT, among others; and
- WHEREAS,** being unable to hold the event in 2020 due to the pandemic, Sindy created Masks for a Cause after seeing the need for reusable masks early in the year; and
- WHEREAS,** Sindy put her sewing machine to work, making over 200 masks to donate to organizations and essential workers alike; and
- WHEREAS,** with the high demand, Sindy and three of her employees have produced over 5,000 masks, selling them both in-store and online, and allotting a percentage of profits to their Fashion Cares fund; and
- WHEREAS,** thanks to this, Queen's was able to partner with Families in Transition in April and adopt families in need for Christmas; and
- WHEREAS,** Sindy is confident they will survive these unprecedented times with the continued support of her customers, who are an integral part of the Queen's family.

**NOW, THEREFORE,** I, Jimmy Dutra, Mayor of the City of Watsonville, in the State of California, on behalf of the City Council hereby recognize Sindy Hernandez and Queen's Shoes & More for their valuable contributions to the community and wish them continued success in the future.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Watsonville to be affixed this 19<sup>th</sup> day of January, Two thousand and twenty one.

  
Jimmy Dutra, Mayor

WATSONVILLE, CALIFORNIA



# City Manager Update

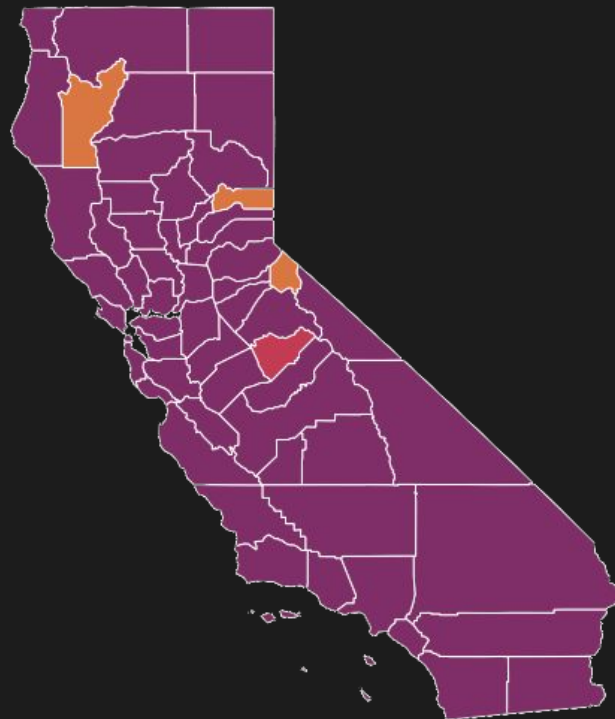
February 9, 2021



# ● COVID-19

FOR MORE INFORMATION VISIT [COVI19.CA.GOV](https://covi19.ca.gov)

- Bay Area ICU Capacity - **18.1%**
- Regional Stay at Home Order Lifted
- **1,146** Active Cases
- **160** Deaths
- **52.89%** of all cases are in Watsonville
- Testing Locations  
**[www.santacruzhealth.org/testing](https://www.santacruzhealth.org/testing)**





# Santa Cruz County Vaccine Distribution Plan

We are  
currently here

Expected to launch  
Spring 2021

Expected to launch  
Summer 2021

## PHASE 1A

### Limited weekly supply

#### TIER 1:

Staff in acute and healthcare, SNF/assisted living facility staff & residents, EMTs, paramedics, dialysis center staff.

#### TIER 2:

Home health and in-home supportive services, public health, primary care staff, FQHCs & urgent care clinics.

#### Tier 3:

Dental/oral health workers, lab workers, pharmacy staff, specialty clinic staff.

## PHASE 1B

### Limited weekly supply

#### TIER 1:

Workers in education, childcare, food & agriculture, fire, law enforcement, emergency services and those over the age of 75.

#### TIER 2:

Workers in critical manufacturing, facilities & services, transportation & logistics. Incarcerated people and homeless individuals and people who are 65 - 74 years old.

## PHASE 1C

### Limited weekly supply

- Remainder of those 65 - 74
- Individuals 50 - 64
- People ages 16 - 49 that are high risk
- Workers in chemical, I.T., communications, defense, government operations, finance, water/wastewater & community organizations.

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## PHASE 2

### When large number of doses available

All other persons older than 16 that have not already been recommended in **Phases 1a, 1b or 1c** and the general population.

## PHASE 3

### When large number of doses available

Ensuring equitable vaccination access across the entire population. Focus on communities with low coverage.

# ● Vaccine Distribution Center

- County Health Department in partnership with City of Watsonville and CBOs ran a mass vaccination site at the Santa Cruz County Fairgrounds.
- **1166 - 75+ residents received the COVID-19 Vaccine**
- **Successful Pilot**
- **Planning on hosting Wednesday clinics - NEXT DATE is 02/10/2021**



# ● New Vaccine Center

- NEW Vaccine Clinic at City Hall
- COUNTY of Santa Cruz Health Department
- Operated by OptumServe for people 65+

**Thursday - Monday: 9AM to 6PM**





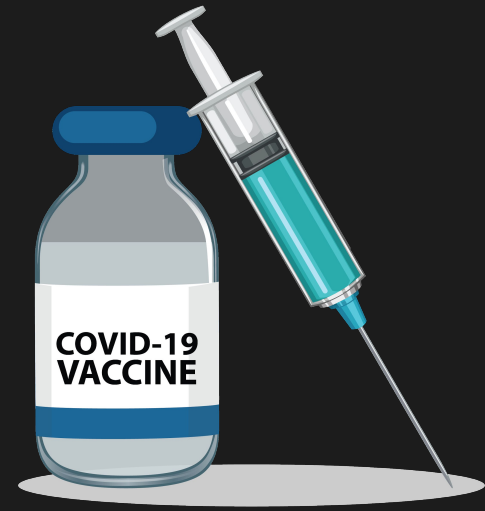
- **How to Access  
the Vaccine**



<http://myoptumserve.com/covid19>



[www.santacruzhealth.org/coronavirusvaccine](http://www.santacruzhealth.org/coronavirusvaccine)

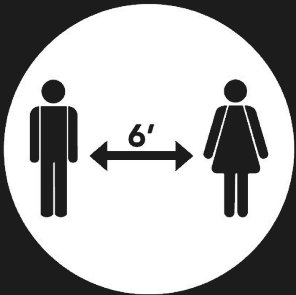


**These Vaccines require 2 shots and can take a few weeks after the second shot to help you become fully protected.**

**REMEMBER:**

**The vaccine protects you...**

**The safety guidelines protect our community.**



# • Feeling Sick?



FOR TESTING LOCATIONS IN  
SANTA CRUZ COUNTY VISIT

<https://bit.ly/354PH6f>

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# ● Business Newsletter

Last week, we launched a new communication tool to connect with our small businesses.

February 2021

*Watsonville Connect*  
Business Newsletter



# ● Two New Housing Projects

## 103 Total Housing Units

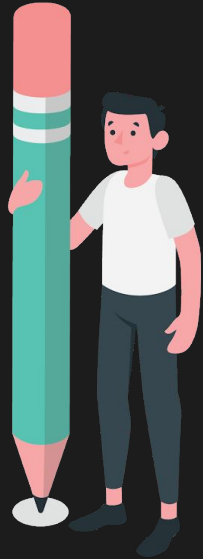
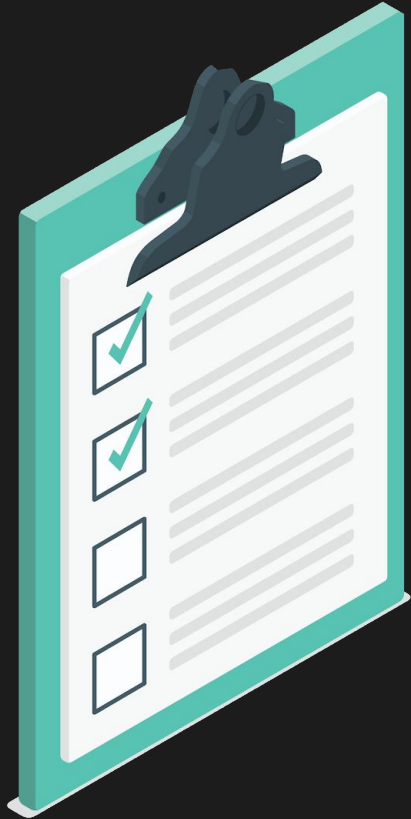
1482 Freedom Blvd - 53 Units

558 Main Street - 50 Units





## COMMUNITY WIDE SURVEY



- **Help Shape the Future of Watsonville!**



# ● Community Engagement

Ad Hoc Committee on  
Policing and Social  
Equity



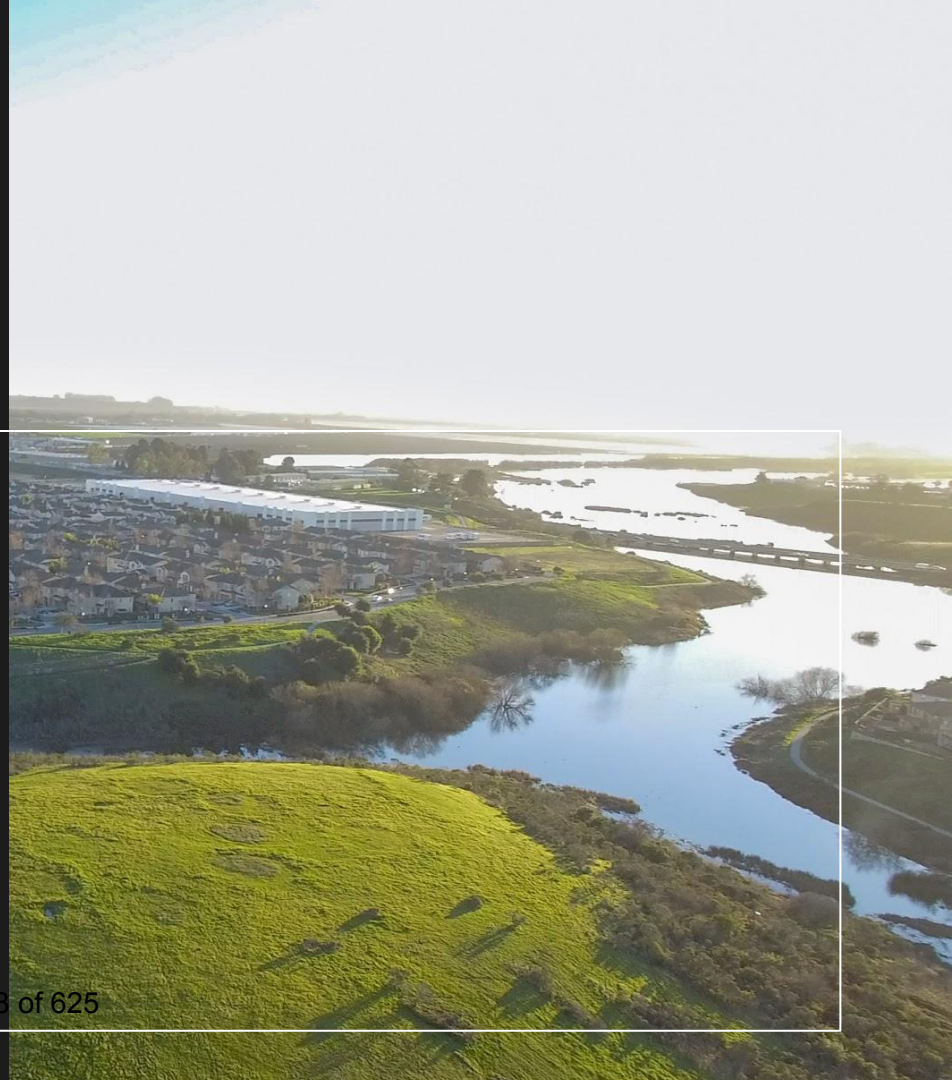
- # Environmental Justice Survey



**ENGLISH**



**SPANISH**



# ● Contact Information

[citymanager@cityofwatsonville.org](mailto:citymanager@cityofwatsonville.org)







# Solid Waste Update





# Waste & Recycle Drop- Off Center



**Location: 320 Harvest Dr., Gate 4**  
**Open Tuesday to Saturday: 9:00 am - 2:30 pm**



# Our Services



We accepted 62 tons of Household Hazardous Waste in 2020!

**WE ACCEPT**

**Paint  
Pesticides  
Tires**

**Batteries  
Electronic waste  
Bulky items**

**Mattresses  
Clothes  
Yard waste**





# Landfill Update

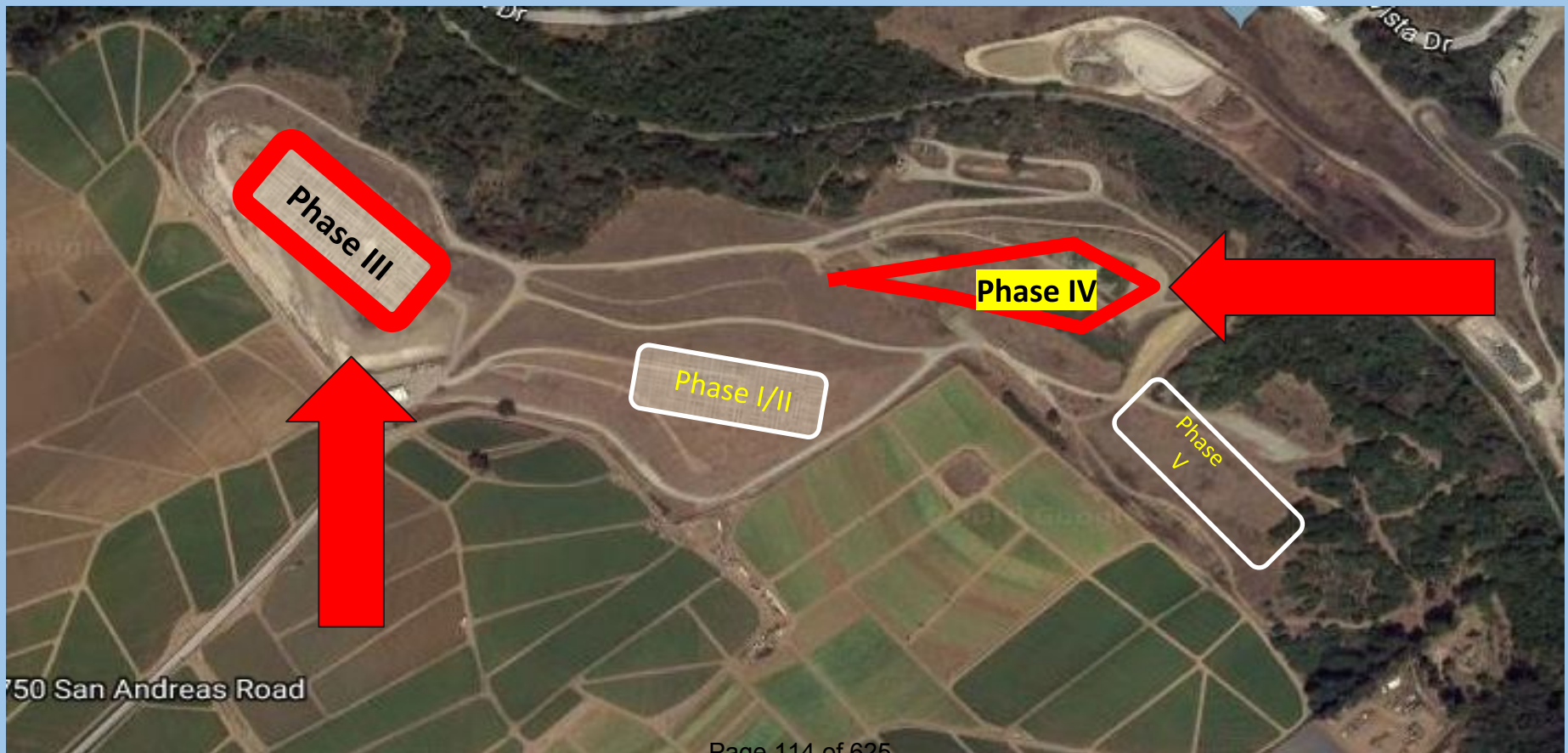
| Year         | Update   |
|--------------|--|
| 1960's       | Started Landfill Operation 5 Phases                        |
| 1996         | Phase III Opened   |
| 2016         | Phase III reached capacity                                 |
| 2017<br>2019 | Reduced Operations<br>Phase III approved 9 additional feet |
| 2021         | September 11, 2020 Phase III volume capacity               |
| 2023         | Begin Phase III Closure                                    |
| 2025         | Final Closure  |



# Landfill Costs

Closing Landfill Phase 3 estimated cost: \$3 million

Opening Landfill Phase 4 estimated cost: \$4 million



# Collection Service Overview



## Street Sweeping

## Residential & Commercial

1. Garbage
2. Recycling
3. Yard Waste
4. Food Scraps





# Disposal & Hauling: Cost Impacts



## Key Highlights

- **\$1.7 million annually**
- **Disposal cost will increase \$180,000 each year for the next 5 years.**
- **Or, \$1 million increase over the 5-year contract.**

# Recycling Update



**Monterey Regional Waste Management District  
New Material Recovery Facility (MRF) cost \$25 million!**

***New agreements signed for Recycling & Disposal in 2020***



# Recycling Cost



CALIFORNIA STATE LAW AB 341

## Key Highlights

- Recyclables are an additional cost not a revenue stream
- Now treated as mixed waste
- Average \$300,000 yearly expense to dispose of 6,000 tons



# State Mandate Update





# Organics Recycling (AB 1826)



## Key Highlights

1. **Organic waste refers to:**  
*Food waste, green waste, landscape, pruning waste, non-hazardous wood waste, and food-soiled paper waste mixed in with food waste*
2. **Weekly collection on:**  
Tuesday & Friday
3. **Service over 60 businesses:**  
Schools, restaurants, markets
4. **833 tons of food scraps diverted from landfill in 2019!**

# Food Scrap Recycling Supports CAP



Organic to Energy Facility

## Impact

- Diverted 833 tons of food scraps
- Reduced 3,500 tons of carbon dioxide (CO<sub>2</sub>) and 12 tons of methane (CH<sub>4</sub>) emission.

## Projected Impact

- 4,500 tons of food scraps recycled from all generators by 2025.
- Projected to reduce the equivalent to 18,900 tons of CO<sub>2</sub> and 66 tons of methane (CH<sub>4</sub>) emission.



Composting in windrows



# ***SB 1383-Reducing Short Lived Climate Pollutants (SLCP)***

**2020**

**50% REDUCTION IN LANDFILLED ORGANIC WASTE**

**2022**

**SB 1383 REGULATIONS TAKE EFFECT**  
Provide Organics Collection Services to All Residents and Businesses

**2025**

**75% REDUCTION IN LANDFILLED ORGANIC WASTE**

**2025**

**20% INCREASE IN RECOVERY OF CURRENTLY DISPOSED EDIBLE FOOD**

# Residential Food Scrap Pilot



## Participating Sites

Meadows Manor Mobile Home Park- 255 households

Northgate Apartments: 85 households

# Residential Food Scrap Pilot



Weekly collection services started November 10, 2020

## Highlights

- Week 14
- 60% Baseline participation
- Average of 20 lbs. per cart
- Audits
- Survey residents

## Next Steps

- Projection of 2,810 tons per year and 21% organics removal from trash after full implementation
- Assessing new pilot sites
- Implement a marketing & education plan
- Meet 85% participation goal





# Residential Food Scraps Projected Fiscal Impact

# Collection & Processing Options

## OPTION 1: 4-CONTAINER SERVICE

Up-front cost: \$1 million

Ongoing annual cost: \$500k



Garbage (bi-weekly)



Recycling (bi-weekly)



Yard Waste (bi-weekly)



Food Scraps (weekly)

## OPTION 2: 3-CONTAINER SERVICE (PREFERRED)

Up-front cost: \$500k

Ongoing annual cost: \$400k



Garbage (bi-weekly)



Recycling (bi-weekly)



Co-mingled (weekly)

# SB1383 Requirements

Provide Organics  
Collection Services to All  
Residents and Businesses  
**Effective Jan. 1, 2022**



Ordinances & Policies

Conduct  
Education & Outreach



Establish Edible Food  
Recovery Program

Procure Recyclable & Recovered  
Organic Products



Enforcement & Penalties  
**Jan. 1, 2024**



# Progress Update

| SB1383 Compliance Task                                 | Update       |
|--|--------------|
| Cost Analysis  | Completed    |
| Processing Agreement                                   | Completed    |
| Launch Residential Pilot                               | Ongoing      |
| Secure equipment & staff (2 FTE)<br>Container & labels | 2021-2024    |
| Program Implementation                                 | Jan. 1, 2022 |
| Enforcement & Penalties                                | Jan. 1 2024  |



# Goals & Accomplishments







Thank you!



## MINUTES REGULAR CITY COUNCIL MEETING

January 19, 2021

City of Watsonville  
Teleconference/Remote

4:00 p.m.

### 1. CLOSED SESSION

(City Council Conference Room, 275 Main Street, 4<sup>th</sup> Floor)

(a) Public Comments regarding the Closed Session agenda were accepted by the City Council at that time.

#### (b) Closed Session Announcement

The City Council recessed the regular Council Meeting to discuss those items listed on the Closed Session Statement attached to the Agenda.

The following speakers requested that Council select the proposal submitted by Pájaro Valley Arts for lease of the Porter Building:

Eli

Jessica Carrasco

Terry McKenna, United Flight Services, asked Council to consider Item 1.C. carefully and make a just decision.

The following speakers requested that Council select the proposal submitted by Pájaro Valley Arts for lease of the Porter Building:

Frances Salgado-Chavez

Vanessa Quiroz-Carter

Xitlali

Gina Cole

Tony Nuñez, managing editor at Register Pájaronian, asked that if Pájaro Valley Arts was selected, that the City offer financial advice and support.

Member Gonzalez announced he had resigned from his position as Chair on Pájaro Valley Arts and would be eligible to vote on Item 1.b.

### 1.a CONFERENCE WITH REAL PROPERTY NEGOTIATOR-SUCCESSOR HOUSING AGENCY (Government Code Section 54956.8)

Property: 36 Airport Road (APN: 015-391-20)

Negotiating parties: Habitat for Humanity Monterey Bay

City: Suzi Merriam, Community Development Director

Under negotiation: Terms & Price

***Was not discussed.***

### 1.b CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Property: 280 Main Street (APN: 017-182-16)

Negotiating parties: Tamara Vides (for City as Landlord)

Pájaro Valley Arts, as tenant

WatsNews, LLC, as tenant  
Under Negotiation: Price and terms of Lease

**1.c CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION**  
(Government Code Section 54956.9(a))

Name of Case: Janice Guy v City of Watsonville - Santa Cruz Superior Court (Case No. 20CV01851)

Name of Case: Monterey Bay Aviation, Inc., dba United Flight Services v City of Watsonville, et al - Santa Cruz County Superior Court (Case No. 19CV03692)

**1.d CONFERENCE WITH LEGAL COUNSEL—PENDING LITIGATION**  
(Government Code Section 54956.9(b))

City Council is to decide whether a closed session is authorized pursuant to subdivision (b) (2) of Section 54956.9: One Case

**1.e CONFERENCE WITH LABOR NEGOTIATOR**  
(Government Code Section 54957.6)

Agency negotiator: Nathalie Manning & Matt Huffaker  
Employee organization: Clerical Technical

**2. CONFERENCE WITH REAL PROPERTY NEGOTIATOR-280 MAIN ST (PORTER BLDG) AND UFS LITIGATION CORRESPONDENCE**

**6:00 P.M.**

**3. ROLL CALL**

Mayor Dutra, Mayor Pro Tempore Parker, and Council Members Estrada, Garcia, Gonzalez, Hurst, and Montesino were present via teleconference through Zoom Webinar.

Staff members present via teleconference through Zoom Webinar were City Manager Huffaker, City Attorney Smith, City Clerk Vázquez Flores, Assistant City Manager Vides, Public Works & Utilities Director Palmisano, Deputy City Manager Manning, Police Chief Honda, Fire Chief Lopez, Administrative Services Director Czerwin, Airport Director Williams, Community Development Director Merriam, Interim Library Director Martinez, Innovation & Technology Director Boyes, Parks & Community Services Director Calubaquib, Assistant Public Works & Utilities Directors Rodriguez and Di Renzo, Assistant Police Chief Sims, Police Captain Zamora, Environmental Sustainability Manager McCloud, Principal Engineer Green, Principal Planner Meek, Assistant City Clerk Ortiz, and Interpreter Landaverry.

**4. PLEDGE OF ALLEGIANCE**

**5. INFORMATION ITEMS**

In answering Member Gonzalez, City Manager Huffaker explained invoice details for legal services listed in the Report of Disbursements.

**5.a REPORT OF DISBURSEMENTS**

**5.b MISCELLANEOUS DOCUMENTS REPORT**

**5.c WRITTEN REPORTS BY COUNCIL MEMBERS REGARDING ACTIONS TAKEN ON THEIR REGIONAL COMMISSIONS/BOARD MEETINGS THAT MAY AFFECT THE CITY OF WATSONVILLE (IF ANY)**

**PLAN FOR AGING STAKEHOLDER ADVISORY COMMITTEE REPORT** (Council Member Hurst)

**SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION JANUARY MEETING HIGHLIGHTS** (Council Member Gonzalez)

**6. PRESENTATIONS & ORAL COMMUNICATIONS**

**6.a ORAL COMMUNICATIONS FROM THE PUBLIC - Moved after Item 6.B**

**6.b ORAL COMMUNICATIONS FROM THE COUNCIL (2 MINUTES EACH)**

Member Hurst wished the public and Council a Happy New Year and asked the public to prevent the spread of COVID-19.

Member Gonzalez invited the public to participate in the upcoming Santa Cruz County Regional Transportation Commission meeting. He spoke about Community Action Board's new meeting schedule. He asked the public to shop local and encouraged residents to vaccinate themselves against COVID-19.

Member Estrada stated his disapproval of the attack on the White House and Democracy on January 6, 2021. He asked the public to prevent the spread of COVID-19 and to work in ending racism.

Member Garcia spoke about her participation in the Green New Deal Monterey Bay meeting and in the Communities Organized for Relation Power in Action (COPA) meeting.

Member Montesino stated his optimism for a new presidency for the United States and ending the COVID-19 Pandemic in 2021.

Mayor Pro Tempore Parker spoke about the importance of providing accessible vaccination sites for South Santa Cruz County residents. She invited the public to participate in upcoming community events.

Mayor Dutra spoke about efforts to offer COVID-19 vaccinations in Watsonville.

**6.a ORAL COMMUNICATIONS FROM THE PUBLIC - Moved after Item 6.B**

Eli requested that Council select the proposal submitted by Pájaro Valley Arts for lease of the Porter Building.

Xitlali, District 2, requested that Council select the proposal submitted by Pájaro Valley Arts for the lease of the Porter Building. She asked for the removal of the George Washington Bust from the City Plaza.

Steve Trujillo, District 7, requested that Council select the proposal submitted by Pájaro Valley Arts for lease of the Porter Building. He asked for a letter of support for conviction of President Donald J. Trump. He asked for a resolution requesting punishment for those who attacked the White House on January 6, 2021. He asked that Cabrillo College be converted into a COVID-19 vaccination center.

Dori Rose Inda, Salud para la Gente Chief Executive Officer, spoke about distribution of COVID-19 vaccines. She spoke about restrictions and policies on how vaccines may be administered to patients.

- 6.c MAYOR'S PROCLAMATION CONGRATULATING EPIFANIA "EPI" TAVAREZ ON HER 100TH BIRTHDAY, WITH WELL WISHES FOR MANY MORE JOYFUL YEARS TO COME**
- 6.d MAYOR'S PROCLAMATION RECOGNIZING EDWARD K. BANKS FOR HIS MANY CONTRIBUTIONS TO THE COMMUNITY WITH WELL WISHES FOR CONTINUED SUCCESS IN ALL FUTURE ENDEAVORS**
- 6.e MAYOR'S PROCLAMATION RECOGNIZING DANA SALES FOR HIS MANY CONTRIBUTIONS TO THE COMMUNITY AND WISHING HIM SUCCESS IN ALL FUTURE ENDEAVORS**
- 6.f MAYOR'S PROCLAMATION RECOGNIZING IMURA JAPANESE RESTAURANT & ITS OWNERS FOR THEIR ONGOING CONTRIBUTIONS TO THE COMMUNITY AND WISH THEM CONTINUED SUCCESS IN THE FUTURE**
- 6.g REPORT OUT OF CLOSED SESSION**
- 6.h PRESENTATION OF \$13,683 CHECK BY THE WATSONVILLE POLICE DEPARTMENT TO THE KATZ CANCER CENTER FROM THE PINK PATCH PROJECT**

The presentation was given by Police Captain Zamora and Renee Gonzalez, nurse at Katz Cancer Center.
- 7. REPORTS TO COUNCIL -- No Action Required**
  - 7.a CITY MANAGER'S UPDATE REPORT**

Member Garcia requested information regarding farmworker COVID-19 positivity levels. City Manager Huffaker spoke about efforts to assist disadvantaged members of the community.
  - 7.b SANTA CRUZ METRO PRESENTATION BY EXECUTIVE DIRECTOR CLIFFORD**

Santa Cruz Metropolitan Transit District (SCCMD) Chief Executive Officer (CEO) Clifford answered questions from Member Garcia regarding reduction of bus ridership due to the COVID-19 Pandemic.

In answering Member Gonzalez, SCCMTD CEO Clifford spoke about integration of electric buses into their fleet.

**8. CONSENT AGENDA**

At Member Gonzalez' request, Mayor Dutra removed Items 8.l and 8.q to be considered under Item 9.

Member Gonzalez stated mechanic salaries listed in Item 8.f were comparable while Item 8.f.9)'s duties were more complex. He asked that the salaries be adjusted based on complexity in the future.

The following speakers spoke in support of Item 8.p.:

Teresa Mack, labor representative for Watsonville Community Hospital Nurses  
Steve Trujillo  
Roseann Farris

**MOTION:** It was moved by Member Montesino, seconded by Member Gonzalez to approve the Consent Agenda.

Community Development Director Merriam answered questions from Member Garcia regarding contractual services to be conducted by HDL under Item 8.c.

Member Garcia asked to revise Item 8.p's resolution stating that a copy be sent to any future Watsonville Community Hospital management.

**MOTION:** The above motion carried by the following vote:

|         |          |  |
|---------|----------|--|
| AYES:   | MEMBERS: | Estrada, García, Gonzalez, Hurst, Montesino, Parker, Dutra |
| NOES:   | MEMBERS: | None   |
| ABSENT: | MEMBERS: | None   |

**8.a MOTION APPROVING MINUTES OF DECEMBER 8, 2020**

**8.b RESOLUTION NO. 1-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE  
AWARDING CONTRACT TO CRAFTWATER ENGINEERING, INC., A  
CORPORATION, FOR CREATION OF THE CITY'S GREEN INFRASTRUCTURE AND  
IMPLEMENTATION PLAN, IN AN AMOUNT NOT TO EXCEED \$200,000; AND  
AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE SAME**

**8.c RESOLUTION NO. 2-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE  
APPROVING SECOND AMENDMENT TO CONSULTANT SERVICES CONTRACT  
BETWEEN THE CITY OF WATSONVILLE AND HINDERLITER, DE LLAMAS &  
ASSOCIATES, INCREASING THE CONTRACT AMOUNT BY \$45,000, FOR A TOTAL  
CONTRACT AMOUNT NOT TO EXCEED \$173,000, FOR ASSISTANCE IN  
PROCESSING AND PERMITTING CANNABIS APPLICATIONS; AUTHORIZING AND  
DIRECTING THE CITY MANAGER TO EXECUTE SAME; AND AUTHORIZING A  
BUDGET APPROPRIATION OF \$45,000 FROM THE PLANNING PERMITS REVENUE**

**ACCOUNT TO THE OTHER CONTRACT SERVICES EXPENSE ACCOUNT  
[Rescinds Resolution No. 187-20 (CM)]**

- 8.d RESOLUTION NO. 3-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING FIVE YEAR LEASE BETWEEN THE CITY OF WATSONVILLE AND YWCA OF WATSONVILLE, A CORPORATION, FOR CITY PROPERTY AT 118 SECOND STREET, (MARINOVICH PARK), FOR A CHILD CARE FACILITY, COMMENCING ON JANUARY 1, 2021, AND ENDING DECEMBER 31, 2025, AND AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE SAME**
- 8.e RESOLUTION NO. 4-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING AND AUTHORIZING THE NEW JOB CLASSIFICATION AND JOB DESCRIPTION FOR AIRPORT OPERATIONS MANAGER (MID-MANAGEMENT UNIT) AT THE ESTABLISHED SALARY RANGE OF \$41.78 - \$56.00 PER HOUR**
- 8.f NEW, UPDATED, RESCINDING, PUBLIC WORKS AND UTILITIES JOB DESCRIPTIONS (Recommended by Personnel Commission)**
- 1) RESOLUTION NO. 5-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING AND AUTHORIZING THE NEW JOB CLASSIFICATION AND JOB DESCRIPTION FOR WASTE AND RECYCLING CENTER WORKER I (OE3 UNIT) AT THE ESTABLISHED SALARY RANGE OF \$19.68 - \$26.38 PER HOUR; AND REPEALING THE JOB CLASSIFICATIONS AND DESCRIPTIONS OF INTEGRATED WASTE TRAINEE, PUBLIC DROP OFF ATTENDANT I AND II, AND SOLID WASTE AIDE I AND II [Rescinds Resolution No.'s 248-06 (CM), 249-06 (CM), 144-15 (CM), 145-15 (CM), and 146-15 (CM)]**
- 2) RESOLUTION NO. 6-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING AND AUTHORIZING THE NEW JOB CLASSIFICATION AND JOB DESCRIPTION FOR WASTE AND RECYCLING CENTER WORKER II (OE3 UNIT) AT THE ESTABLISHED SALARY RANGE OF \$21.64 - \$29.00 PER HOUR; AND REPEALING THE JOB CLASSIFICATIONS AND DESCRIPTIONS OF INTEGRATED WASTE TRAINEE, PUBLIC DROP OFF ATTENDANT I AND II, AND SOLID WASTE AIDE I AND II [Rescinds Resolution No.'s 248-06 (CM), 249-06 (CM), 144-15 (CM), 145-15 (CM), and 146-15 (CM)]**
- 3) RESOLUTION NO. 7-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING AND AUTHORIZING THE NEW JOB CLASSIFICATION AND JOB DESCRIPTION FOR WASTE AND RECYCLING CENTER WORKER III (OE3 UNIT) AT THE ESTABLISHED SALARY RANGE OF \$23.81 - \$31.90 PER HOUR; AND REPEALING THE JOB CLASSIFICATIONS AND DESCRIPTIONS OF INTEGRATED WASTE TRAINEE, PUBLIC DROP OFF ATTENDANT I AND II, AND SOLID WASTE AIDE I AND II [Rescinds**

**Resolution No.'s 248-06 (CM), 249-06 (CM), 144-15 (CM), 145-15 (CM), and 146-15 (CM)]**

- 4) RESOLUTION NO. 8-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING AND AUTHORIZING THE NEW JOB CLASSIFICATION AND JOB DESCRIPTION FOR RESOURCE WASTE ADVOCATE I (OE3 UNIT) AT THE ESTABLISHED SALARY RANGE OF \$19.68 - \$26.38 PER HOUR**
- 5) RESOLUTION NO. 9-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING AND AUTHORIZING THE NEW JOB CLASSIFICATION AND JOB DESCRIPTION FOR RESOURCE WASTE ADVOCATE II (OE3 UNIT) AT THE ESTABLISHED SALARY RANGE OF \$21.64 - \$29.00 PER HOUR**
- 6) RESOLUTION NO. 10-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING THE REVISED JOB DESCRIPTION OF EQUIPMENT MECHANIC I (OE3 UNIT) AND REAFFIRMING THE ESTABLISHED SALARY RANGE OF \$20.63 - \$27.64 PER HOUR [Rescinds Resolution No.'s 80-91 (CM) and 45-07 (CM)]**
- 7) RESOLUTION NO. 11-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING THE REVISED JOB DESCRIPTION OF EQUIPMENT MECHANIC II (OE3 UNIT) AND REAFFIRMING THE ESTABLISHED SALARY RANGE OF \$23.37 - \$31.32 PER HOUR [Rescinds Resolution No. 46-07 (CM)]**
- 8) RESOLUTION NO. 12-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING THE REVISED JOB DESCRIPTION OF EQUIPMENT MECHANIC III (OE3 UNIT) AND REAFFIRMING THE ESTABLISHED SALARY RANGE OF \$25.83 - \$34.61 PER HOUR [Rescinds Resolution No. 47-07 (CM)]**
- 9) RESOLUTION NO. 13-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING AND AUTHORIZING THE NEW JOB CLASSIFICATION AND JOB DESCRIPTION FOR FIRE VEHICLE AND EQUIPMENT MECHANIC (OE3 UNIT) AT THE ESTABLISHED SALARY RANGE OF \$27.77 - \$37.21 PER HOUR**
- 10) RESOLUTION NO. 14-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING THE REVISED JOB DESCRIPTION OF COLLECTION SYSTEMS OPERATOR I (OE3 UNIT) AND REAFFIRMING THE ESTABLISHED SALARY RANGE OF \$24.97 - \$33.46 PER HOUR [Rescinds Resolution No. 225-03 (CM)]**



- 11) **RESOLUTION NO. 15-21 (CM):**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING THE REVISED JOB DESCRIPTION OF COLLECTION SYSTEMS OPERATOR II (OE3 UNIT) AND REAFFIRMING THE ESTABLISHED SALARY RANGE OF \$27.59 - \$36.98 PER HOUR [Rescinds Resolution No. 226-03 (CM)]**
- 12) **RESOLUTION NO. 16-21 (CM):**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING AND AUTHORIZING THE NEW JOB CLASSIFICATION AND JOB DESCRIPTION FOR COLLECTION SYSTEMS OPERATOR III (OE3 UNIT) AT THE ESTABLISHED SALARY RANGE OF \$33.39 - \$44.74 PER HOUR**
- 13) **RESOLUTION NO. 17-21 (CM):**  
**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING THE REVISED JOB DESCRIPTION OF UTILITIES MAINTENANCE MECHANIC I (OE3 UNIT) AND REAFFIRMING THE ESTABLISHED SALARY RANGE OF \$29.27 - \$39.22 PER HOUR [Rescinds Resolution No. 212-06 (CM)]**
- 14) **RESOLUTION NO. 18-21 (CM):**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING THE REVISED JOB DESCRIPTION OF UTILITIES MAINTENANCE MECHANIC II (OE3 UNIT) AND REAFFIRMING THE ESTABLISHED SALARY RANGE OF \$32.34 - \$43.34 PER HOUR [Rescinds Resolution No. 212-06 (CM)]**
- 15) **RESOLUTION NO. 19-21 (CM):**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING AND AUTHORIZING THE NEW JOB CLASSIFICATION AND JOB DESCRIPTION FOR UTILITIES MAINTENANCE MECHANIC III (OE3 UNIT) AT THE ESTABLISHED SALARY RANGE OF \$34.77 - \$46.60 PER HOUR**
- 16) **RESOLUTION NO. 20-21 (CM):**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING THE REVISED JOB DESCRIPTION OF CUSTOMER SERVICE TECHNICIAN I (OE3 UNIT) AND THE REALLOCATION OF SALARY RANGE FROM \$24.45 - \$32.76 PER HOUR TO \$21.92 - \$29.81 PER HOUR [Rescinds Resolution No. 202-96 (CM)]**
- 17) **RESOLUTION NO. 21-21 (CM):**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING AND AUTHORIZING THE NEW JOB CLASSIFICATION AND JOB DESCRIPTION FOR CUSTOMER SERVICE TECHNICIAN II (OE3 UNIT) AT THE ESTABLISHED SALARY RANGE OF \$25.18 - \$33.75 PER HOUR**
- 18) **RESOLUTION NO. 22-21 (CM):**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING AND AUTHORIZING THE NEW JOB CLASSIFICATION AND**

**JOB DESCRIPTION FOR CUSTOMER SERVICE TECHNICIAN III (OE3 UNIT)  
AT THE ESTABLISHED SALARY RANGE OF \$28.12 - \$37.68 PER HOUR**

- 8.g RESOLUTION NO. 23-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE  
ACCEPTING AN ADDITIONAL \$35,713 GRANT FROM PROPOSITION 1  
INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) DISADVANTAGED  
COMMUNITY INVOLVEMENT PROGRAM FROM THE CALIFORNIA  
DEPARTMENT OF WATER RESOURCES AND THE SANTA CRUZ REGIONAL  
WATER MANAGEMENT GROUP; AND APPROPRIATING SUCH FUNDS TO  
THE SPECIAL GRANTS FUND**
- 8.h RESOLUTION NO. 24-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE  
APPOINTING BLANCA BALTAZAR-SABBAH, DIANE MUÑOZ, & BARBARA  
CORRIGAN TO THE CITY OF WATSONVILLE BOARD OF LIBRARY TRUSTEES  
[DISTRICTS 1, 2, & 6]**
- 8.i RESOLUTION NO. 25-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE  
APPOINTING ARASELI CAMPOS, VANESSA QUIROZ-CARTER, NOE IBARRA, &  
FRANK BARBA TO PARKS & RECREATION COMMISSION [DISTRICTS 1, 2, 6, & 7]**
- 8.j RESOLUTION NO. 26-21 (CM):  
RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE  
APPOINTING AMY LONA, RAQUEL MARISCAL, AND LISA MARTIN TO THE CITY  
OF WATSONVILLE PERSONNEL COMMISSION [DISTRICTS 1, 2, & 6]**
- 8.k RESOLUTION NO. 27-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE  
APPOINTING DANIEL DODGE, GINA GALLINO COLE, & LUCY ROJAS TO THE  
PLANNING COMMISSION [DISTRICT 1, 2, & 6]**
- 8.l RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE  
APPOINTING MEMBERS TO COMMITTEES FOR THE CALENDAR YEAR 2021 –  
Item Removed, see Item 9.**
- 8.m NON-VOTING BOARD MEMBERS TO COUNTY FLOOD CONTROL AND WATER  
CONSERVATION DISTRICT ZONE 7**
- 1) RESOLUTION NO. 28-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE  
APPOINTING AURELIO GONZALEZ AS A NON-VOTING MEMBER OF THE  
SANTA CRUZ COUNTY FLOOD CONTROL AND WATER CONSERVATION  
DISTRICT, ZONE 7, BOARD OF DIRECTORS**

- 2) **RESOLUTION NO. 29-21 (CM):**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE REAPPOINTING VIOLET LUCAS AS A NON-VOTING BOARD MEMBER TO THE COUNTY OF SANTA CRUZ FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7, BOARD OF DIRECTORS**
- 8.n **RESOLUTION NO. 30-21 (CM):**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPOINTING COUNCIL MEMBER REBECCA J. GARCIA TO THE PÁJARO VALLEY COMMUNITY HEALTH TRUST**
- 8.o **APPOINTING MEMBERS TO SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**
- 1) **RESOLUTION NO. 31-21 (CM):**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPOINTING MAYOR JIMMY DUTRA TO SANTA CRUZ METROPOLITAN TRANSIT DISTRICT BOARD OF DIRECTORS FOR TERM COMMENCING ON JANUARY 1, 2021, & ENDING DECEMBER 31, 2024**
- 2) **RESOLUTION NO. 32-21 (CM):**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPOINTING COUNCIL MEMBER GONZALEZ TO SANTA CRUZ METROPOLITAN TRANSIT DISTRICT BOARD OF DIRECTORS COMMENCING ON JANUARY 1, 2021, & ENDING DECEMBER 31, 2021**
- 8.p **RESOLUTION NO. 33-21 (CM):**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE SUPPORTING SAFE STAFFING LEVELS AT WATSONVILLE COMMUNITY HOSPITAL**
- 8.q **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE AUTHORIZING THE ANNUAL DISPLAY OF THE PRIDE FLAG AT THE CIVIC PLAZA INSTEAD OF THE CITY FLAG DURING THE MONTH OF JUNE TO RECOGNIZE LESBIAN, GAY, BISEXUAL, TRANSGENDER, AND QUEER (LGBTQ) PRIDE MONTH – Item removed, see Item 9.**
- 8.r **RESOLUTION NO. 34-21 (CM):**  
**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE RATIFYING A MEMORANDUM OF UNDERSTANDING BETWEEN THE MUNICIPAL EMPLOYEE RELATIONS OFFICER OF THE CITY AND THE PUBLIC SAFETY MID-MANAGEMENT UNIT FROM JULY 1, 2020 TO DECEMBER 31, 2021**
- 8.s **RESOLUTION NO. 35-21 (CM):**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE RATIFYING A MEMORANDUM OF UNDERSTANDING BETWEEN THE MUNICIPAL EMPLOYEE RELATIONS OFFICER OF THE CITY AND OPERATING ENGINEERS LOCAL UNION NO. 3 FOR EMPLOYEES IN THE PUBLIC WORKS UNIT FOR FISCAL YEARS 2020-2022**
9. **ITEMS REMOVED FROM CONSENT AGENDA**

**8.q RESOLUTION NO. 36-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE  
AUTHORIZING THE ANNUAL DISPLAY OF THE PRIDE FLAG AT THE CIVIC  
PLAZA INSTEAD OF THE CITY FLAG DURING THE MONTH OF JUNE TO  
RECOGNIZE LESBIAN, GAY, BISEXUAL, TRANSGENDER, AND QUEER  
(LGBTQ) PRIDE MONTH**

Member Gonzalez stated he supported the annual display of the Pride Flag at the Civic Plaza but would like a policy to address other flag display requests. He added that the City flag should fly in conjunction with any other flag approved for display.

Mayor Dutra stressed the importance of approving Item 8.q in order to support the LGBTQ Community. He stated Council should consider each flag to be displayed on City property in order to prevent organizations from using a policy to bypass Council approval.

Member Garcia stated she would support Item 8.q, but would like to implement a flag policy.

**MOTION:** It was moved by Member Montesino, seconded by Member Garcia and carried by the following vote to approve Consent Agenda Item 8.q:

|         |          |   |
|---------|----------|---|
| AYES:   | MEMBERS: | Estrada, García, Montesino, Parker, Dutra |
| NOES:   | MEMBERS: | Gonzalez, Hurst                           |
| ABSENT: | MEMBERS: | None                                      |

**8.I RESOLUTION NO. 37-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE  
APPOINTING MEMBERS TO COMMITTEES FOR THE CALENDAR YEAR 2021**

**MOTION (Failed):** It was moved by Member Gonzalez, seconded by Member Hurst and failed by the following vote to amend Item 8.I to appoint Member Gonzalez to Community Action Board:

|         |          |   |
|---------|----------|---|
| AYES:   | MEMBERS: | Gonzalez, Hurst                           |
| NOES:   | MEMBERS: | Estrada, Garcia, Montesino, Parker, Dutra |
| ABSENT: | MEMBERS: | None                                      |

Member Gonzalez requested that a Council Member be appointed to the Zone 7, Flood Control and Water Conservation District.

Member Garcia expressed her support for Dr. Nancy A. Bilicich being appointed to Zone 7, Flood Control and Water Conservation District.

Member Hurst stated Council should consider appointing a member of Council to Zone 7, Flood Control and Water Conservation District in the future.

**MOTION:** It was moved by Member Garcia, seconded by Mayor Pro Tempore Parker and carried by the following vote to approve Item 8.I:

AYES: MEMBERS: Estrada, Garcia, Hurst, Montesino, Parker, Dutra  
NOES: MEMBERS: Gonzalez  
ABSENT: MEMBERS: None

## **10. PUBLIC HEARINGS, ORDINANCES, & APPEALS**

### **10.a CONSIDERATION OF PROPANE STORAGE AND TRANSFER FACILITY**

#### **1) Staff Report**

The report was given by Principal Planner Meek.

#### **2) City Council Clarifying & Technical Questions**

Principal Planner Meek answered questions from Member Garcia regarding ability for Council to require CEQA review for the project, staff review of the project, and traffic impacts resulting from the project due to transportation of propane.

In answering Member Hurst, Principal Planner Meek spoke about use of the site prior to the proposed project, lack of support from Planning Commission for the project, and risk associated with storage of multiple propane tanks onsite.

Environmental Sustainability Manager McCloud, in answering Member Garcia, spoke about the Climate Action and Adaptation Plan, defined green infrastructure and stated propane tanks did not meet that definition.

Mayor Pro Tempore Parker stated her concerns regarding potential for explosion of propane tanks.

Principal Planner Meek answered questions from Member Estrada regarding storage of an unpermitted propane tank on the project site.

#### **3) Applicant Presentation**

The presentation was given by Richard Kojak, president at Mountain Propane Service, Inc.

Mr. Kojak answered questions from Member Garcia, supply of renewable propane, potential for propane to explode or ignite, and willingness to have a CEQA review of the project.

In answering Member Hurst, Principal Planner Meek spoke about previous environmental review of the project site.

#### **4) Public Hearing**

Mayor Dutra opened the public hearing.

#### **The following speakers asked Council to deny the project:**

Jenny Sarmiento  
Gabriel Medina

Robert Singleton, Santa Cruz County Business Council Executive Director  
Manuel Quintero-Bersamin  
Jennifer Laskin  
Steve Trujillo

Ben Granholm, Western Propane Gas Association, spoke about the differences between methane and propane, listed the benefits of propane, and assured the safety of propane tanks.

**The following speakers asked Council to deny the projectthe project::**

William Ow  
Dr. Manny Nunez, Las Brisas Subdivision resident  
Salvador Lua  
Consuelo Alba, District 5

Joy Alafia, Western Propane Gas Association, spoke about efforts statewide to make renewable propane the standard in California.

**The following speakers asked Council to deny the project:**

Adam Bolanos  
Oscar Rios

Amber Kinslow spoke about the benefits of propane and acquiring a propane facility nearby.

**The following speakers asked Council to deny the project::**

Alan Hicks  
Victoria Bañales  
Eli  
George Ow  
Vanessa Quiroz-Carter  
Pam Sexton

William Kojak, Mountain Propane Service, Inc. asked Council to support the project and assured the public that the propane tanks were safe.

**The following speakers asked Council to deny the project the project:**

Nathalie Olivas, Regeneración Pájaro Valley Climate Action  
Eileen Clark-Nagaoka  
Jessica Carrasco  
Maria Heredia

Matthew Ragsdale, Mountain Propane Service, Inc., stated Council should focus on benefit of the project to the community as a whole and not focus on jurisdictional boundaries.

**The following speakers asked Council to deny the projectthe project:**

Xitlali  
Jennifer Schacher, Pájaro Valley Unified School District Trustee



After checking if anyone in the teleconference wanted to speak on the matter, hearing none, Mayor Dutra closed the public hearing.

- 5) **MOTION:** It was moved by Member Garcia, seconded by Member Montesino to approve the resolutions listed below:

6) **City Council Deliberation on Motion**

Fire Chief Lopez answered questions from Mayor Pro Tempore Parker regarding regulations propane tank operators must comply with..

In answering Member Hurst, Community Development Director Merriam spoke about review of the proposed project.

Member Montesino stated he would support the Planning Commission decision to deny the special use permit.

Mayor Dutra stated his concerns regarding the proposed project.

**MOTION:** The above motion carried by the following vote:

AYES: MEMBERS: Estrada, Garcia, Gonzalez, Hurst, Montesino,  
Parker, Dutra

NOES: MEMBERS: None

ABSENT: MEMBERS: None

7) **RESOLUTION NO. 38-21 (CM):**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE DENYING A SPECIAL USE PERMIT WITH DESIGN REVIEW AND ENVIRONMENTAL REVIEW (PP2019-18) TO NOT ALLOW THE ESTABLISHMENT OF A PROPANE STORAGE AND TRANSFER FACILITY (AKA BULK PROPANE PLANT) ON A 0.7± ACRE PROPERTY LOCATED AT 950 WEST BEACH STREET, WATSONVILLE, CALIFORNIA (APN 018-331-28)**

**10.b 2020 LOCAL HAZARD MITIGATION PLAN AND APPROVING A GENERAL PLAN AMENDMENT – Item moved after Item 11.a.**

**11. NEW BUSINESS**

**11.a FORMATION OF THE PÁJARO REGIONAL FLOOD MANAGEMENT AGENCY**

**1) Staff Report**

The report was given by Public Works & Utilities Director Palmisano and Environmental Sustainability Manager McCloud.

**2)City Council Clarifying & Technical QuestionsI**

In answering Mayor Pro Tempore Parker, Mark Strudley, County of Santa Cruz Flood Control Manager , spoke about the formation of the new agency and pursuit of river levee improvements.

Public Works & Utilities Director Palmisano and Environment Sustainability Manager McCloud, in answering Member Garcia, spoke about the benefits of the Pájaro Regional Flood Management Agency.

Matt Machado, Director of Public Works at County of Santa Cruz, spoke about balancing of authorities and priorities for the Pájaro Regional Flood Management Agency.

**3) Public Input (None)**

- 4) MOTION:** It was moved by Member Montesino, seconded by Member Hurst to approve the resolutions listed below:

**5) City Council Deliberation on Motion**

In answering Mayor Dutra, Mr. Strudley and Environmental Sustainability Manager McCloud spoke about outreach that would be conducted to inform residents about the river levee improvements and effects lease to property owner ratio would have on the river levee project.

**MOTION:** The above motion carried by the following vote:

|         |  |
|---------|--|
| AYES:   | MEMBERS: Estrada, Garcia, Gonzalez, Hurst Montesino, Parker, Dutra |
| NOES:   | MEMBERS: None  |
| ABSENT: | MEMBERS: None  |

- 6) RESOLUTION NO. 39-21 (CM):**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING JOINT EXERCISE OF POWERS AGREEMENT ESTABLISHING THE PÁJARO REGIONAL FLOOD MANAGEMENT AGENCY BETWEEN THE CITY OF WATSONVILLE, THE COUNTY OF SANTA CRUZ, THE COUNTY OF MONTEREY, SANTA CRUZ COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, AND MONTEREY COUNTY WATER RESOURCES AGENCY, TO REDUCE FLOOD RISK ON THE LOWER PÁJARO RIVER; AND AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE SAME**
- 7) RESOLUTION NO. 40-21 (CM):**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING INDEMNITY AGREEMENT REGARDING A PÁJARO RIVER FLOOD RISK MANAGEMENT PROJECT BETWEEN THE CITY OF WATSONVILLE, THE COUNTY OF SANTA CRUZ, THE COUNTY OF MONTEREY, SANTA CRUZ COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, AND MONTEREY COUNTY WATER RESOURCES AGENCY; AND AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE SAME**

**10. PUBLIC HEARINGS, ORDINANCES, & APPEALS (Continued)**

**10.b 2020 LOCAL HAZARD MITIGATION PLAN AND APPROVING A GENERAL PLAN AMENDMENT**

**1) Staff Report**

The report was given by Environmental Sustainability Manager McCloud and Principal Planner Meek.

**2) City Council Clarifying & Technical Questions**

Environmental Sustainability Manager McCloud answered questions regarding ability for the City to obtain disaster relief funds and benefits the Local Hazard Mitigation Plan (LHMP) would have on the City.

In answering Member Garcia, Environmental Sustainability Manager McCloud spoke about outreach efforts for LHMP.

**3) Public Hearing**

Mayor Dutra opened the public hearing.

Gina Cole spoke in support of staff recommendation.

After checking if anyone in the teleconference wanted to speak on the matter, hearing none, Mayor Dutra closed the public hearing.

**4) MOTION:** It was moved by Member Montesino, seconded by Mayor Pro Tempore Parker to approve the resolutions listed below:

**5) City Council Deliberation on Motion**

Members Hurst and Parker thanked Environmental Sustainability Manager McCloud for her work.

Mayor Pro Tempore Parker spoke in support of staff recommendation and thanked staff for focusing on helping disadvantaged members of the community.

**MOTION:** The above motion carried by the following vote:

|         |          |  |
|---------|----------|--|
| AYES:   | MEMBERS: | Estrada, Garcia, Gonzalez, Hurst, Montesino, Parker, Dutra |
| NOES:   | MEMBERS: | None   |
| ABSENT: | MEMBERS: | None   |

**6) RESOLUTION NO. 41-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING THE CITY OF WATSONVILLE LOCAL HAZARD MITIGATION PLAN - SEPTEMBER 2020**

**7) RESOLUTION NO. 42-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING THE TWENTY-FIFTH (25TH) AMENDMENT TO THE WATSONVILLE 2005 GENERAL PLAN AMENDING CHAPTER 12 (PUBLIC SAFETY) TO INCORPORATE BY REFERENCE THE 2020 LOCAL HAZARD MITIGATION PLAN (LHMP)**

**11. NEW BUSINESS (Continued)**

**11.b CONSIDERATION OF CONTRACT WITH CAROLLO ENGINEERS, INC. FOR DESIGN SERVICES FOR ZONE 2 RESERVOIR (NO. WA-20-14829) IN THE AMOUNT OF \$899,715 FROM THE WATER ENTERPRISE FUND**

**1) Staff Report**

The report was given by Principal Engineer Green.

**2) City Council Clarifying & Technical Questions**

In answering Member Hurst, Principal Engineer Green spoke about effects tank failures and potential flooding would have on neighboring areas.

In answering Member Garcia, Public Works & Utilities Director Palmisano spoke about funding sources for the project.

**3) Public Input (None)**

**4) MOTION:** It was moved by Member Montesino, seconded by Mayor Pro Tempore Parker and carried by the following vote to approve the resolution listed below:

AYES: MEMBERS: Estrada, Garcia, Gonzalez, Hurst, Montesino,  
Parker, Dutra

NOES: MEMBERS: None

ABSENT: MEMBERS: None

**5) City Council Deliberation on Motion (None)**

**6) RESOLUTION NO. 43-21 (CM):  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE  
AWARDING CONTRACT TO CAROLLO ENGINEERS, INC., A  
CORPORATION, FOR DESIGN SERVICES FOR THE ZONE 2 RESERVOIR  
PROJECT, NO. WA-20-14829, IN AN AMOUNT NOT TO EXCEED \$899,715;  
AND AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE  
SAME**

**12. EMERGENCY ITEMS ADDED TO AGENDA**

**13. REQUESTS & SCHEDULING FUTURE AGENDA ITEMS**

Member Garcia requested a resolution identifying racism as a health issue and creating a plan to end racism.

Mayor Pro Tempore Parker requested an item to consider a flag policy. She commended Frank Barba on his appointment to the Parks & Recreation Commission.

Member Hurst requested stricter enforcement of vehicle racing and loud vehicle noise.

Member Gonzalez requested a report from Pájaro Valley Prevention and Student Assistance on funding for the Contigo Program and services offered thereof.

**14. ADJOURNMENT**

The meeting adjourned at 12:06 a.m. on January 20, 2021.

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Jimmy Dutra, Mayor

ATTEST:

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Beatriz Vázquez Flores, City Clerk



# Agenda Report

**MEETING DATE:** Tuesday, February 9, 2021

**TO:** City Council

**FROM:** Cynthia Czerwin, Administrative Services Director  
Marissa Duran, Assistant Finance Director

**SUBJECT:** MOTION TO ACCEPT JULY 2020 THROUGH SEPTEMBER 2020  
INVESTMENT REPORT

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## **STATEMENT OF ISSUES:**

The Council is asked to accept investment reports on a quarterly basis.

## **RECOMMENDED ACTION:**

Staff recommends that the City Council accept by motion the Investment Report for July 2020 through September 2020.

## **DISCUSSION:**

The City's idle funds are invested to earn a competitive yield given the City's need for liquidity. Investments of idle funds are only made on investment types/instruments approved by the Council. Every year in January, the Council re-adopts the City's Investment Policy. As shown on Table 1 below, the City's Investment portfolio in September 2020 was 46.4 million dollars. Current holdings include: City Investments, Street Assessments, LAIF and CAMP.

Two years ago, the City added a new Investment Instrument to its portfolio: the California Asset Management Program (CAMP). CAMP has been around since 1989 serving the investment needs of public agencies. CAMP is a pool, which is a short-term cash reserve portfolio and cash management vehicle. The CAMP pool is AAA rated by Standard & Poor's. CAMP offers same-day liquidity, competitive yield, and monthly interest payments and zero out of pocket expenses. The City's current investment in CAMP is \$26.7 million dollars.

The City has used LAIF (Local Agency Investment Fund) as a primary benchmark for the last several years. LAIF is a good benchmark for the City as the average days to maturity of LAIF investments is similar to the City's investment maturity. Currently we are a little below LAIF earnings rates as interest rates are very strained.



**PORTFOLIO RESULTS:**

The last several months' results are shown below on Table 1. The quarter totals for the cash invested.

**Table I**

|                                | July  | August | September |
|--------------------------------|-------|--------|-----------|
| Cash Invested (\$MM)           | 76.3  | 75.3   | 78.1      |
| City's Average Maturity (Days) | 51.7  | 55.9   | 46.9      |
| City's Average Yield           | 0.82% | 1.16%  | 1.02      |
| LAIF Yield                     | 0.92% | 1.36%  | 1.21%     |
| LAIF Cash Invested (\$MM)      | 47.4  | 53.7   | 56.7      |

**THE ECONOMY:**

The coronavirus outbreak is causing tremendous human and economic hardship across the United States and around the world. Following sharp declines in economic activity and the sharp increase in unemployment rates, these indicators have improved somewhat in recent months but remain well below their levels at the beginning of 2020. The path of the economy will depend significantly on the course of the virus. Overall financial conditions have improved in recent months. The Federal Reserve Committee decided to maintain the target range for the Federal Funds Rate at 0 to ¼ percent. The Committee expects to maintain its target range until it is confident that the economy has weathered recent events and is on track to achieve its maximum employment and price stability goals.

**FINANCIAL IMPACT:**

Currently we see a bit of an inverted yield curve on interest rates. This suggests the City's portfolio interest earnings will continue to be low. The Federal Reserve looks at economic growth very closely. If economic growth remains low, it will most likely leave interest rates unchanged until it is confident that the economy has weathered recent events and is on track to achieve its maximum employment and price stability goals.

**ATTACHMENTS:**

1. July through September 2020 Investment Portfolio

City of Watsonville  
Investment Reports

Jul-20



We certify that the investment report conforms to the City of Watsonville's Investment Policy and that the City's next 6 month's cash needs can be met if past trends continue.

A handwritten signature in black ink, appearing to read "Cyn Czerwin".

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Cynthia Czerwin  
Administrative Services Director

A handwritten signature in purple ink, appearing to read "Marissa Duran".

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Marissa Duran  
Assistant Finance Director

|                           |       |
|---------------------------|-------|
| Portfolio Average Return  | 0.82% |
| Average Maturity (Days)   | 51.7  |
| Comparative Yields:       |       |
| LAIF                      | 0.92% |
| One Year Agency Note      | 0.17% |
| Six Month -Treasury Bills | 0.17% |

City of Watsonville  
Investment Position Report  
30-Jul-20

|  | Coup.<br>Rate | Yield<br>(YTM) | Maturity<br>Date | Face<br>Value | Purchase<br>Price | General Ledger<br>Balance | Current<br>Market<br>Value | Purchase<br>Date |
|--|---------------|----------------|------------------|---------------|-------------------|---------------------------|----------------------------|------------------|
| <b><u>Treasury Notes (**)</u></b>            | 0.0%          |                |                  |               |                   |                           |                            |                  |
| Totals                                       |               |                |                  | 0             | 0                 | 0                         | 0                          |                  |
| Average Maturity (Days/Years)                |               |                | 0.0              |               |                   |                           |                            |                  |
| <b><u>Agency Notes(**)</u></b>               | 0.0%          |                |                  |               |                   |                           |                            |                  |
| Call date                                    |               |                |                  |               |                   |                           |                            |                  |
| Totals                                       |               | 0.00%          |                  | 0             | 0                 | 0                         | 0                          |                  |
| Average Maturity (Days/Years)                |               | 0              | 0.0              |               |                   |                           |                            |                  |
| Average Duration                             |               |                |                  |               |                   |                           |                            |                  |
| <b><u>City Investments</u></b>               | 2.8%          |                |                  |               |                   |                           |                            |                  |
| Side Fund Pool Inv - PD                      | 2.000%        | 2.00%          | 30-Jun-25        | 1,142,711     | 1,142,711         | 1,142,711                 | 1,142,711                  | 28-Jun-11        |
| Side Fund Pool Inv - FF                      | 2.000%        | 2.00%          | 30-Jun-25        | 1,026,283     | 1,026,283         | 1,026,283                 | 1,026,283                  | 28-Jun-11        |
| Totals                                       |               |                |                  | 2,168,994     | 2,168,994         | 2,168,994                 | 2,168,994                  |                  |
| Average Maturity (Days/Years)                |               | 2.00%          |                  |               |                   |                           |                            |                  |
| Average Duration                             |               | 1,796          |                  |               |                   |                           |                            |                  |
| <b><u>Pooled Investment</u></b>              |               |                |                  |               |                   |                           |                            |                  |
| LAIF   | N/A           | 0.92%          | Demand           | 47,353,270    | 47,353,270        | 47,353,270                | 47,585,907                 | Various          |
| CAMP   | N/A           | 0.51%          | Demand           | 26,749,534    | 26,749,534        | 26,749,534                | 26,749,534                 | Various          |
|  |               |                |                  | 74,102,804    | 74,102,804        | 74,102,804                | 74,335,441                 |                  |
| <b><u>Investment Management Services</u></b> |               |                |                  |               |                   |                           |                            |                  |
| Merrill Lynch                                | 0             | 4.35%          |                  | 0 #           | 0                 | 0                         | 0                          | Various          |
| Totals                                       |               | 0.82%          |                  | 76,271,798    | 76,271,798        | 76,271,798                | 76,504,435                 |                  |
| Average Maturity (Days/Years)                |               | 51.7           |                  |               |                   |                           |                            |                  |
| 30-Jul-20                                    | Days          | 4.8            |                  |               |                   |                           |                            |                  |

**Activity Report**

Source:

City of Watsonville  
Investment Reports

Aug-20



We certify that the investment report conforms to the City of Watsonville's Investment Policy and that the City's next 6 month's cash needs can be met if past trends continue.

A handwritten signature in blue ink, appearing to read "Cyn Czerwin".

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Cynthia Czerwin  
Administrative Services Director

A handwritten signature in blue ink, appearing to read "Marissa Duran".

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Marissa Duran  
Assistant Finance Director

|                           |       |
|---------------------------|-------|
| Portfolio Average Return  | 0.66% |
| Average Maturity (Days)   | 51.5  |
| Comparative Yields:       |       |
| LAIF                      | 0.78% |
| One Year Agency Note      | 0.13% |
| Six Month -Treasury Bills | 0.11% |

City of Watsonville  
Investment Position Report  
30-Aug-20

|  | Coup.<br>Rate | Yield<br>(YTM) | Maturity<br>Date | Face<br>Value | Purchase<br>Price | General Ledger<br>Balance | Current<br>Market<br>Value | Purchase<br>Date |
|--|---------------|----------------|------------------|---------------|-------------------|---------------------------|----------------------------|------------------|
| <b><u>Treasury Notes (**)</u></b>            | 0.0%          |                |                  |               |                   |                           |                            |                  |
| Totals                                       |               |                |                  | 0             | 0                 | 0                         | 0                          |                  |
| Average Maturity (Days/Years)                |               |                | 0.0              |               |                   |                           |                            |                  |
| <b><u>Agency Notes(**)</u></b>               | 0.0%          |                |                  |               |                   |                           |                            |                  |
| Call date                                    |               |                |                  |               |                   |                           |                            |                  |
| Totals                                       |               | 0.00%          |                  | 0             | 0                 | 0                         | 0                          |                  |
| Average Maturity (Days/Years)                |               | 0              | 0.0              |               |                   |                           |                            |                  |
| Average Duration                             |               |                |                  |               |                   |                           |                            |                  |
| <b><u>City Investments</u></b>               | 2.9%          |                |                  |               |                   |                           |                            |                  |
| Side Fund Pool Inv - PD                      | 2.000%        | 2.00%          | 30-Jun-25        | 1,142,711     | 1,142,711         | 1,142,711                 | 1,142,711                  | 28-Jun-11        |
| Side Fund Pool Inv - FF                      | 2.000%        | 2.00%          | 30-Jun-25        | 1,026,283     | 1,026,283         | 1,026,283                 | 1,026,283                  | 28-Jun-11        |
| Totals                                       |               |                |                  | 2,168,994     | 2,168,994         | 2,168,994                 | 2,168,994                  |                  |
| Average Maturity (Days/Years)                |               | 2.00%          |                  |               |                   |                           |                            |                  |
| Average Duration                             |               | 1,765          |                  |               |                   |                           |                            |                  |
| <b><u>Pooled Investment</u></b>              |               |                |                  |               |                   |                           |                            |                  |
| LAIF   | N/A           | 0.78%          | Demand           | 46,353,270    | 46,353,270        | 46,353,270                | 46,580,994                 | Various          |
| CAMP   | N/A           | 0.31%          | Demand           | 26,756,322    | 26,756,322        | 26,756,322                | 26,756,322                 | Various          |
|  |               |                |                  | 73,109,592    | 73,109,592        | 73,109,592                | 73,337,316                 |                  |
| <b><u>Investment Management Services</u></b> |               |                |                  |               |                   |                           |                            |                  |
| Merrill Lynch                                | 0             | 4.35%          |                  | 0 #           | 0                 | 0                         | 0                          | Various          |
| Totals                                       |               | 0.66%          |                  | 75,278,586    | 75,278,586        | 75,278,586                | 75,506,310                 |                  |
| Average Maturity (Days/Years)                |               | 51.5           |                  |               |                   |                           |                            |                  |
| 30-Aug-20                                    | Days          | -0.2           |                  |               |                   |                           |                            |                  |

Activity Report

Source:

City of Watsonville  
Investment Reports

Sep-20



We certify that the investment report conforms to the City of Watsonville's Investment Policy and that the City's next 6 month's cash needs can be met if past trends continue.

A handwritten signature in black ink, appearing to read "Cyn Czerwin".

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Cynthia Czerwin  
Administrative Services Director

A handwritten signature in purple ink, appearing to read "Marissa Duran".

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Marissa Duran  
Assistant Finance Director

|                           |       |
|---------------------------|-------|
| Portfolio Average Return  | 0.60% |
| Average Maturity (Days)   | 49.6  |
| Comparative Yields:       |       |
| LAIF                      | 0.69% |
| One Year Agency Note      | 0.13% |
| Six Month -Treasury Bills | 0.12% |



City of Watsonville  
Investment Position Report  
30-Sep-20

|  | Coup.<br>Rate | Yield<br>(YTM) | Maturity<br>Date | Face<br>Value | Purchase<br>Price | General Ledger<br>Balance | Current<br>Market<br>Value | Purchase<br>Date |
|--|---------------|----------------|------------------|---------------|-------------------|---------------------------|----------------------------|------------------|
| <b><u>Treasury Notes (**)</u></b>            | 0.0%          |                |                  |               |                   |                           |                            |                  |
| Totals                                       |               |                |                  | 0             | 0                 | 0                         | 0                          |                  |
| Average Maturity (Days/Years)                |               |                | 0.0              |               |                   |                           |                            |                  |
| <b><u>Agency Notes(**)</u></b>               | 0.0%          |                |                  |               |                   |                           |                            |                  |
| Call date                                    |               |                |                  |               |                   |                           |                            |                  |
| Totals                                       |               | 0.00%          |                  | 0             | 0                 | 0                         | 0                          |                  |
| Average Maturity (Days/Years)                |               | 0              | 0.0              |               |                   |                           |                            |                  |
| Average Duration                             |               |                |                  |               |                   |                           |                            |                  |
| <b><u>City Investments</u></b>               | 2.8%          |                |                  |               |                   |                           |                            |                  |
| Side Fund Pool Inv - PD                      | 2.000%        | 2.00%          | 30-Jun-25        | 1,073,991     | 1,073,991         | 1,073,991                 | 1,073,991                  | 28-Jun-11        |
| Side Fund Pool Inv - FF                      | 2.000%        | 2.00%          | 30-Jun-25        | 964,565       | 964,565           | 964,565                   | 964,565                    | 28-Jun-11        |
| Totals                                       |               |                |                  | 2,038,556     | 2,038,556         | 2,038,556                 | 2,038,556                  |                  |
| Average Maturity (Days/Years)                |               | 2.00%          |                  |               |                   |                           |                            |                  |
| Average Duration                             |               | 1,734          |                  |               |                   |                           |                            |                  |
| <b><u>Pooled Investment</u></b>              |               |                |                  |               |                   |                           |                            |                  |
| LAIF   | N/A           | 0.69%          | Demand           | 46,353,270    | 46,353,270        | 46,353,270                | 46,580,994                 | Various          |
| CAMP   | N/A           | 0.27%          | Demand           | 23,761,842    | 23,761,842        | 23,761,842                | 23,761,842                 | Various          |
|  |               |                |                  | 70,115,112    | 70,115,112        | 70,115,112                | 70,342,836                 |                  |
| <b><u>Investment Management Services</u></b> |               |                |                  |               |                   |                           |                            |                  |
| Merrill Lynch                                | 0             | 4.35%          |                  | 0 #           | 0                 | 0                         | 0                          | Various          |
| Totals                                       |               | 0.60%          |                  | 72,153,668    | 72,153,668        | 72,153,668                | 72,381,392                 |                  |
| Average Maturity (Days/Years)                |               | 49.6           |                  |               |                   |                           |                            |                  |
| 30-Sep-20                                    | Days          | -1.9           |                  |               |                   |                           |                            |                  |

Activity Report

Source:



# Agenda Report

**MEETING DATE:** Tuesday, February 9, 2021

**TO:** City Council

**FROM:** FINANCE DEPARTMENT  
Cynthia Czerwin, Administrative Services Director  
Marissa Duran, Assistant Finance Director

**SUBJECT:** MOTION TO ACCEPT OCTOBER 2020 THROUGH DECEMBER 2020  
INVESTMENT REPORT

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## **STATEMENT OF ISSUES:**

The City Council is asked to accept quarterly Investment Reports.

## **RECOMMENDED ACTION:**

It is recommended that Council accept the Investment Report for the period of October 2020 through December 2020 by motion.

## **DISCUSSION:**

The City's idle funds are invested to earn a competitive yield and yet accommodate the City's need for liquidity. Investments of idle funds are only made in investment types/instruments approved by the Council. Every year in January, the Council re-adopts the City's Investment Policy. As shown on Table 1 below, the City's Investment Portfolio in September 2020 was 46.4 million dollars. Our current holdings include: City Investments, Street Assessments, LAIF and CAMP.

Two years ago, the City added a new Investment Instrument to its portfolio: the California Asset Management Program (CAMP). This Program has been around since 1989 and has been serving the investment needs of public agencies. CAMP is a pool, which is a short-term cash reserve portfolio and cash management vehicle. The investment is AAA rated by Standard & Poor's. They offer same-day liquidity, competitive yield, and monthly interest payments and zero out of pocket expenses. The City's current investment in CAMP is \$26.7 million dollars.

The City has used LAIF (Local Agency Investment Fund) as a primary benchmark for the last several years. LAIF is a good benchmark for the City as the average days to maturity of their

investments is similar to the City's investment maturity. Currently we are a little below LAIF earnings rates as interest rates are very strained.

## **PORTFOLIO RESULTS:**

The results from the last several months are shown below in Table 1.

**Table 1**

|                                | October | November | December |
|--------------------------------|---------|----------|----------|
| Cash Invested (\$MM)           | 72.4    | 72.4     | 82.2     |
| City's Average Maturity (Days) | 48.7    | 47.8     | 38.8     |
| City's Average Yield           | 0.53%   | 0.48%    | 0.49%    |
| LAIF Yield                     | 0.62%   | 0.58%    | 0.58%    |
| LAIF Cash Invested (\$MM)      | 46.5    | 46.5     | 56.6     |

## **THE ECONOMY:**

The economic downward trend continued in the month of December and non-farm employment in the U.S. declined by 140,000 jobs. Most of that drop was in the leisure and hospitality sector. The unemployment rate was unchanged at 6.7%. While the surge in number of unemployed Americans has been a focus of economists throughout the pandemic, another problem in the market has totally been overlooked. People who have jobs are calling in sick in record numbers and taking leaves of absence. Unlike the jobless rate, which has declined markedly from the peak in April, the rate of absenteeism has remained stubbornly high. More than 1.9 million people missed work in December because of illness, according to Labor Department data, almost matching a 2 million record set in April underscoring the impact of a third wave of coronavirus infections.

The resurgence in COVID cases and the slower rollout of vaccinations across much of the country has caused economic activity to pull back from high contact activities in recent weeks. Renewed lockdowns and operating restrictions also took a toll on employment rates. Prices of discretionary items that saw large declines at the onset of the pandemic, like travel-related prices and apparel, continued to increase last month.

## **FINANCIAL IMPACT:**

Economists hope that inflation rates move gradually higher in 2021. However, if sales come in weaker-than-expected, it will take longer for the economy to bounce back. This will most likely cause low interest earning yields in the 2021 calendar year.

## **ATTACHMENTS AND/OR REFERENCES (If any):**

1. October through December 2020 Investment Portfolio

City of Watsonville  
Investment Reports

Oct-20



We certify that the investment report conforms to the City of Watsonville's Investment Policy and that the City's next 6 month's cash needs can be met if past trends continue.

A handwritten signature in black ink, appearing to read "C. Czerwin".

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Cynthia Czerwin  
Administrative Services Director

A handwritten signature in purple ink, appearing to read "Marissa Duran".

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Marissa Duran  
Assistant Finance Director

|                           |       |
|---------------------------|-------|
| Portfolio Average Return  | 0.53% |
| Average Maturity (Days)   | 48.7  |
| Comparative Yields:       |       |
| LAIF                      | 0.62% |
| One Year Agency Note      | 0.12% |
| Six Month -Treasury Bills | 0.10% |

City of Watsonville  
Investment Position Report  
30-Oct-20

|  | Coup.<br>Rate | Yield<br>(YTM) | Maturity<br>Date | Face<br>Value | Purchase<br>Price | General Ledger<br>Balance | Current<br>Market<br>Value | Purchase<br>Date |
|--|---------------|----------------|------------------|---------------|-------------------|---------------------------|----------------------------|------------------|
| <b><u>Treasury Notes (**)</u></b>            | 0.0%          |                |                  |               |                   |                           |                            |                  |
| Totals                                       |               |                |                  | 0             | 0                 | 0                         | 0                          |                  |
| Average Maturity (Days/Years)                |               |                | 0.0              |               |                   |                           |                            |                  |
| <b><u>Agency Notes(**)</u></b>               | 0.0%          |                |                  |               |                   |                           |                            |                  |
| Call date                                    |               |                |                  |               |                   |                           |                            |                  |
| Totals                                       |               | 0.00%          |                  | 0             | 0                 | 0                         | 0                          |                  |
| Average Maturity (Days/Years)                |               | 0              | 0.0              |               |                   |                           |                            |                  |
| Average Duration                             |               |                |                  |               |                   |                           |                            |                  |
| <b><u>City Investments</u></b>               | 2.8%          |                |                  |               |                   |                           |                            |                  |
| Side Fund Pool Inv - PD                      | 2.000%        | 2.00%          | 30-Jun-25        | 1,073,991     | 1,073,991         | 1,073,991                 | 1,073,991                  | 28-Jun-11        |
| Side Fund Pool Inv - FF                      | 2.000%        | 2.00%          | 30-Jun-25        | 964,565       | 964,565           | 964,565                   | 964,565                    | 28-Jun-11        |
| Totals                                       |               |                |                  | 2,038,556     | 2,038,556         | 2,038,556                 | 2,038,556                  |                  |
| Average Maturity (Days/Years)                |               | 2.00%          |                  |               |                   |                           |                            |                  |
| Average Duration                             |               | 1,704          |                  |               |                   |                           |                            |                  |
| <b><u>Pooled Investment</u></b>              |               |                |                  |               |                   |                           |                            |                  |
| LAIF   | N/A           | 0.62%          | Demand           | 46,548,064    | 46,548,064        | 46,548,064                | 46,776,745                 | Various          |
| CAMP   | N/A           | 0.19%          | Demand           | 23,765,650    | 23,765,650        | 23,765,650                | 23,765,650                 | Various          |
|  |               |                |                  | 70,313,714    | 70,313,714        | 70,313,714                | 70,542,395                 |                  |
| <b><u>Investment Management Services</u></b> |               |                |                  |               |                   |                           |                            |                  |
| Merrill Lynch                                | 0             | 4.35%          |                  | 0 #           | 0                 | 0                         | 0                          | Various          |
| Totals                                       |               | 0.53%          |                  | 72,352,270    | 72,352,270        | 72,352,270                | 72,580,951                 |                  |
| Average Maturity (Days/Years)                |               | 48.7           |                  |               |                   |                           |                            |                  |
| 30-Oct-20                                    | Days          | -0.9           |                  |               |                   |                           |                            |                  |

Activity Report

Source:

City of Watsonville  
Investment Reports

Nov-20



We certify that the investment report conforms to the City of Watsonville's Investment Policy and that the City's next 6 month's cash needs can be met if past trends continue.

A handwritten signature in black ink, appearing to read "C. Czerwin".

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Cynthia Czerwin  
Administrative Services Director

A handwritten signature in purple ink, appearing to read "Marissa Duran".

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Marissa Duran  
Assistant Finance Director

|                           |       |
|---------------------------|-------|
| Portfolio Average Return  | 0.48% |
| Average Maturity (Days)   | 47.8  |
| Comparative Yields:       |       |
| LAIF                      | 0.58% |
| One Year Agency Note      | 0.12% |
| Six Month -Treasury Bills | 0.10% |



City of Watsonville  
Investment Position Report  
30-Nov-20

|  | Coup.<br>Rate | Yield<br>(YTM) | Maturity<br>Date | Face<br>Value | Purchase<br>Price | General Ledger<br>Balance | Current<br>Market<br>Value | Purchase<br>Date |
|--|---------------|----------------|------------------|---------------|-------------------|---------------------------|----------------------------|------------------|
| <b><u>Treasury Notes (**)</u></b>            | 0.0%          |                |                  |               |                   |                           |                            |                  |
| Totals                                       |               |                |                  | 0             | 0                 | 0                         | 0                          |                  |
| Average Maturity (Days/Years)                |               |                | 0.0              |               |                   |                           |                            |                  |
| <b><u>Agency Notes(**)</u></b>               | 0.0%          |                |                  |               |                   |                           |                            |                  |
| Call date                                    |               |                |                  |               |                   |                           |                            |                  |
| Totals                                       |               | 0.00%          |                  | 0             | 0                 | 0                         | 0                          |                  |
| Average Maturity (Days/Years)                |               | 0              | 0.0              |               |                   |                           |                            |                  |
| Average Duration                             |               |                |                  |               |                   |                           |                            |                  |
| <b><u>City Investments</u></b>               | 2.8%          |                |                  |               |                   |                           |                            |                  |
| Side Fund Pool Inv - PD                      | 2.000%        | 2.00%          | 30-Jun-25        | 1,073,991     | 1,073,991         | 1,073,991                 | 1,073,991                  | 28-Jun-11        |
| Side Fund Pool Inv - FF                      | 2.000%        | 2.00%          | 30-Jun-25        | 964,565       | 964,565           | 964,565                   | 964,565                    | 28-Jun-11        |
| Totals                                       |               |                |                  | 2,038,556     | 2,038,556         | 2,038,556                 | 2,038,556                  |                  |
| Average Maturity (Days/Years)                |               | 2.00%          |                  |               |                   |                           |                            |                  |
| Average Duration                             |               | 1,673          |                  |               |                   |                           |                            |                  |
| <b><u>Pooled Investment</u></b>              |               |                |                  |               |                   |                           |                            |                  |
| LAIF   | N/A           | 0.58%          | Demand           | 46,548,064    | 46,548,064        | 46,548,064                | 46,776,745                 | Various          |
| CAMP   | N/A           | 0.14%          | Demand           | 23,768,295    | 23,768,295        | 23,768,295                | 23,768,295                 | Various          |
|  |               |                |                  | 70,316,359    | 70,316,359        | 70,316,359                | 70,545,040                 |                  |
| <b><u>Investment Management Services</u></b> |               |                |                  |               |                   |                           |                            |                  |
| Merrill Lynch                                | 0             | 4.35%          |                  | 0 #           | 0                 | 0                         | 0                          | Various          |
| Totals                                       |               | 0.48%          |                  | 72,354,915    | 72,354,915        | 72,354,915                | 72,583,596                 |                  |
| Average Maturity (Days/Years)                |               | 47.8           |                  |               |                   |                           |                            |                  |
| 30-Nov-20                                    | Days          | -0.9           |                  |               |                   |                           |                            |                  |

Activity Report

Source:

City of Watsonville  
Investment Reports

Dec-20



We certify that the investment report conforms to the City of Watsonville's Investment Policy and that the City's next 6 month's cash needs can be met if past trends continue.

A handwritten signature in black ink, appearing to read "Cyn Czerwin".

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Cynthia Czerwin  
Administrative Services Director

A handwritten signature in purple ink, appearing to read "Marissa Duran".

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Marissa Duran  
Assistant Finance Director

|                           |       |
|---------------------------|-------|
| Portfolio Average Return  | 0.49% |
| Average Maturity (Days)   | 41.4  |
| Comparative Yields:       |       |
| LAIF                      | 0.58% |
| One Year Agency Note      | 0.12% |
| Six Month -Treasury Bills | 0.10% |

City of Watsonville  
Investment Position Report  
30-Dec-20

|                                   | Coup.<br>Rate | Yield<br>(YTM) | Maturity<br>Date | Face<br>Value | Purchase<br>Price | General Ledger<br>Balance | Current<br>Market<br>Value | Purchase<br>Date |
|-----------------------------------|---------------|----------------|------------------|---------------|-------------------|---------------------------|----------------------------|------------------|
| <b><u>Treasury Notes (**)</u></b> | 0.0%          |                |                  |               |                   |                           |                            |                  |
| Totals                            |               |                |                  | 0             | 0                 | 0                         | 0                          |                  |
| Average Maturity (Days/Years)     |               |                | 0.0              |               |                   |                           |                            |                  |
| <b><u>Agency Notes(**)</u></b>    | 0.0%          |                |                  |               |                   |                           |                            |                  |
| Call date                         |               |                |                  |               |                   |                           |                            |                  |
| Totals                            |               | 0.00%          |                  | 0             | 0                 | 0                         | 0                          |                  |
| Average Maturity (Days/Years)     |               | 0              | 0.0              |               |                   |                           |                            |                  |
| Average Duration                  |               |                |                  |               |                   |                           |                            |                  |
| <b><u>City Investments</u></b>    | 2.3%          |                |                  |               |                   |                           |                            |                  |
| Side Fund Pool Inv - PD           | 2.000%        | 2.00%          | 30-Jun-25        | 1,004,928     | 1,004,928         | 1,004,928                 | 1,004,928                  | 28-Jun-11        |
| Side Fund Pool Inv - FF           | 2.000%        | 2.00%          | 30-Jun-25        | 902,539       | 902,539           | 902,539                   | 902,539                    | 28-Jun-11        |
| Totals                            |               |                |                  | 1,907,467     | 1,907,467         | 1,907,467                 | 1,907,467                  |                  |
| Average Maturity (Days/Years)     |               | 2.00%          |                  |               |                   |                           |                            |                  |
| Average Duration                  |               | 1,643          |                  |               |                   |                           |                            |                  |
| <b><u>Pooled Investment</u></b>   | 97.7%         |                |                  |               |                   |                           |                            |                  |
| LAIF                              | N/A           | 0.58%          | Demand           | 56,548,064    | 56,548,064        | 56,548,064                | 56,825,873                 | Various          |
| CAMP                              | N/A           | 0.12%          | Demand           | 23,770,739    | 23,770,739        | 23,770,739                | 23,770,739                 | Various          |
|                                   |               |                |                  | 80,318,803    | 80,318,803        | 80,318,803                | 80,596,612                 |                  |
| Totals                            |               |                |                  | 82,226,270    | 82,226,270        | 82,226,270                | 82,504,079                 |                  |
| Average Maturity (Days/Years)     |               | 0.49%          |                  |               |                   |                           |                            |                  |
| 30-Dec-20                         | Days          | 38.8           |                  |               |                   |                           |                            |                  |
|                                   |               | -9.0           |                  |               |                   |                           |                            |                  |

Activity Report

Source:



# Agenda Report

**MEETING DATE:** Tuesday, February 9, 2021

**TO:** City Council

**FROM:** Finance  
Cindy Czerwin, Administrative Services Director  
Marissa Duran, Assistant Finance Director

**SUBJECT:** RESOLUTION ADOPTING THE CITY OF WATSONVILLE INVESTMENT  
POLICY FOR CALENDAR YEAR 2021

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## **STATEMENT OF ISSUES:**

Staff is updating the City's Investment Policy for the new calendar year to comply with the City's current holdings as permitted by California Government Code sections 53600 et seq.

## **RECOMMENDED ACTION:**

Staff is recommending that the City Council approve a resolution adopting the calendar year 2021 City of Watsonville Investment Policy.

## **DISCUSSION:**

The City's Investment Policy and State law recommend that the governing body of the City annually review its Investment Policy. The City of Watsonville Investment Policy was last reviewed and adopted by the Council in June 2020.

Staff has, at the request of the City's outside auditors, for the first time added the California Asset Management Program (CAMP) as a permitted investment to the Policy. CAMP is a permitted investment to local agencies and provides a short-term cash reserve portfolio rated at AAAM. It further provides same-day liquidity, competitive yield and interest is paid monthly.

The purpose of the Policy is to guide the City Treasurer and staff in the investment of idle cash. Funds are invested in a manner that will earn a competitive yield in accordance with the City's needs for liquidity and safety while at the same time maximizing investments earnings. The Investment Policy intent is to ensure and promote investment practices that are consistent with the Policy, prudent in nature and that provide for the financial operational needs of the City.

The Council in this Policy delegates investment authority to the City Treasurer. In this delegated capacity, the City Treasurer may conduct Investment Committee meetings with staff to discuss investment options and provide direction for the investment of idle cash. A quarterly investment report is prepared by the Finance Department and submitted to the Council at a

regularly scheduled Council meeting. Currently, the City does not contract with a third-party administrator to make investment decisions.

**STRATEGIC PLAN:**

This Investment Policy supports the principles of the Strategic Plan by focusing on the most effective utilization of resources.

**FINANCIAL IMPACT:**

None.

**ALTERNATIVE ACTION:**

None.

**ATTACHMENTS AND/OR REFERENCES (If any):**

None.

**RESOLUTION NO. \_\_\_\_\_(CM)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
WATSONVILLE ADOPTING AND CONFIRMING THE CITY OF  
WATSONVILLE INVESTMENT POLICY FOR CALENDAR YEAR 2021**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE,  
CALIFORNIA, AS FOLLOWS:**

1. That the City Council does hereby adopt, confirm and approve the City of Watsonville Investment Policy for Calendar Year 2021, attached hereto as Exhibit "A," and incorporated by this reference as its policy for the investment of funds not required for the immediate necessities of the City for the period January 1, 2021 to December 31, 2021.

2. That the Administrative Services Director, in their additional role as City Treasurer<sup>1</sup>, is hereby directed to comply with and is authorized to do all things necessary to implement such Policy for calendar year 2021.

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<sup>1</sup> [Watsonville Municipal Code § 2-3.404](#)



# CITY OF WATSONVILLE

## INVESTMENT POLICY FOR CALENDAR YEAR 2021



# CITY OF WATSONVILLE

## INVESTMENT POLICY

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### **Introduction**

The investment objective of the City of Watsonville is to ensure safety and liquidity, while maintaining a competitive yield, of the City's temporarily idle funds.

The purpose of this Policy is to guide the officers of the City charged with responsibility for investments. This Policy and State law (California Government Code sections 53600 et seq.) govern the execution of the investment responsibility.

The City Council, after each annual review, delegates investment authority to the City's Treasurer (Finance Director). The Treasurer (Finance Director), under the direction of the City Manager, is responsible for administering the City's investments.

### **Scope**

This Policy applies to the investment of all City funds not required for immediate expenditure, excluding proceeds from certain bond issues that are covered by bond documents. The City will concentrate cash and reserve balances from all funds to maximize investments earnings. Investment income will be allocated to funds, other than the General Fund, as required by the funds restrictions, based upon their respective pool participation and in accordance with general accepted accounting principles.

### **Objectives**

Funds of the City will be invested in accordance with California Government code Sections 53600 et. seq. The objectives of the Investment Policy are to meet the short and long-term cash flow demands of the City. The portfolio will be structured to provide the following (in priority order):

- 1) **Safety** The safety and risk associated with an investment refers to the potential loss of principal, interest or combination of these items. The City controls credit risk by investing only in specified, quality investments listed in the City's investment policy, which have little chance of principal loss. Interest rate risk or market risk refers to potential economic risk, which occurs when interest rates increase, devaluing the principal of fixed income investments. To limit this risk, the City normally invests in securities with an ultimate maturity of 5 years or less, except as authorized by City Council.
- 2) **Liquidity** This concept refers to the ability to raise cash for City operations at any moment. Liquidity achieved by purchasing securities, which are traded by a large number of market makers and have relatively short maturities.

- 3) **Yield** Yield is the potential dollar earnings an investment can provide from both interest payments and capital appreciation. To obtain the highest yield, Finance will seek competitive quotes on like investments when purchasing an investment. Yields of investments are to be independently calculated and verified by Finance on all transactions.

It is the City's policy, at the time of purchase, to hold all investments until maturity. However, investments may be sold prior to maturity for cash flow purposes or to take advantage of principal appreciation.

### **Prudence**

The standard of prudence to be used by the City Treasurer (Finance Director) or designee shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The City Treasurer (Finance Director) or designee acting in accordance with this Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported to the City Council in a timely fashion and the liquidity and the sale of securities are carried out in an accordance with the terms of this Policy.

The "prudent person" standard is that, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment."

### **Ethics and Conflicts of Interest**

Officers or employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the City.

### **Delegation of Authority**

The Director of Finance, in the capacity of City Treasurer, is designated as the Chief Investment Officer of the City and is responsible for investment decisions and activities, under the direction of the City Manager. The Director of Finance shall develop and maintain written administrative procedures for the operation of the investment program by qualified Finance Department staff, consistent with the Statement of Investment and Portfolio Policy.

No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Director of Finance. The Director of Finance shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Use of an investment advisor shall be only under contract approved by City Council.

### **Investment Committee**

There is hereby created an Investment Committee, consisting of the City Manager or their designee, the Director of Finance, Assistant Director of Finance, and investment staff. Members of the Investment Committee shall serve without compensation, and shall meet as needed. The Investment Committee shall include in its deliberations such topics as: economic outlook, portfolio diversification, maturity structure, potential risks to the City's funds, authorized depositories, and selection of banks and primary dealers.

### **Safekeeping**

All securities shall be kept in the custody of the City or by a qualified safekeeping institution. If securities are kept by a safekeeping institution, the City shall have access to buy and sell such securities independently of any broker.

### **Delivery vs. Payment**

All trades of market securities shall be executed by delivery versus payment (DVP) to ensure that securities are deposited in an eligible institution prior to the release of funds.

### **Authorized Financial Dealers and Institutions**

The City shall transact business only with banks, associations, and broker/dealers licensed by the State of California.

### **Authorized Investment Types**

This approach affords the City a broad spectrum of investment opportunities allowable under current State of California law (Government Code sections 53600 et seq.). Investments shall be made only in securities for which market value information is generally available. Investments may be made in the following instruments:

| <u>Portfolio Limit</u> | <u>Investment Type</u>                                    |
|------------------------|---|
| No limit               | Securities of the US government or its agencies           |
| No limit               | Local Agency Investment Fund (State Pool) demand deposits |
| No limit               | Passbook savings account demand deposits                  |
| No limit               | Debt of the City of Watsonville                           |
| No limit               | California Asset Management Program (CAMP JPA)            |

|     |   |
|-----|---|
| 20% | Money Market Mutual Fund – (funds containing securities issued or guaranteed by the U.S. Government; fund dollar-weighted average maturity of ninety (90) days or less, with no single instrument with more than thirteen (13) months, and consist only of dollar-denominated securities)   |
| 20% | Repurchase agreements (repos) for a term of one year or less  |
| 30% | Certificates of Deposit (or time deposits) placed with commercial banks or like institutions such as credit unions. Certificates of deposit in financial institutions with local branches shall be made only to the extent warranted by the offered yield, liquidity and safety compared to that available from other institutions. |
| 30% | Negotiable Certificates of Deposits issued by nationally or state-chartered commercial banks, federally insured credit unions, or the state licensed branch of a foreign bank.  |
| 40% | Bankers Acceptances not to exceed 180 days maturity; no more than 30 percent of the City's surplus funds may be invested in any one commercial bank.  |
| 25% | Commercial Paper of corporations having total assets of \$500 million or more and having an "A" or higher rating for the issuer's debt from Moody's or Standard & Poor's, not to exceed 270 days in maturity and the City shall not purchase more than 10% of the outstanding commercial paper of any one issuer.                   |
| 30% | Medium term corporate notes, with a maximum 5-year maturity.  |

### **Prohibited Investment Types**

In accordance with Section 53601.6 of the California Government Code, the City shall not invest any funds in inverse floaters, range notes, or mortgage-derived interest only strips. In addition, the City shall not invest any funds in any security that could result in zero interest accrual if held to maturity.

### **Diversification**

Investments shall be diversified among institutions, types of securities and maturities to maximize safety and yield with changing market conditions; investments with a maturity at purchase of more than 5-years shall be approved by City Council.

### **Reporting**

The Treasurer (Finance Director) shall report quarterly to the City Manager and City Council the following information on investments owned by the City:

- |                      |                  |                   |
|----------------------|------------------|-------------------|
| - Investment         | - Coupon         | - Yield           |
| - Face Value         | - Purchase Price | - Market Value    |
| - Purchase Date      | - Maturity Date  | - Portfolio Yield |
| - Portfolio Maturity |                  |                   |

This Policy shall be reviewed each calendar year by City Council.

Council first adopted the City of Watsonville Investment Policy by Resolution No. 18-89 (CM), and replaced by Resolutions 244-92 (CM), 388-96 (CM), 296-97 (CM), 216-98 (CM), 295-99 (CM), 129-00 (CM), 262-01 (CM), 280-02 (CM), 87-03 (CM), 254-04 (CM), 242-05 (CM), 36-07 (CM), 16-08 (CM), 13-09 (CM), 202-11 (CM), 143-12 (CM), 167-13 (CM), 174-15 (CM), 165-17 (CM), 1-19 (CM), and 96-20 (CM).



# Agenda Report

**MEETING DATE:** Tuesday, February 9, 2021

**TO:** City Council

**FROM:** Public Works and Utilities

**SUBJECT: APPROPRIATION OF \$535,000 OF GAS TAX FUNDING TO EXISTING PROJECTS**

---

## STATEMENT OF ISSUES:

Staff has identified several ongoing projects that were originally expected to be completed in FY2019-20 but took longer than planned. Some required scope of work revisions due to unforeseen site conditions, resulting in the need for additional appropriations in the FY 2020-21 Capital Improvement Plan Budget.

## RECOMMENDED ACTION:

It is recommended that the City Council approve the appropriation of Gas Tax Funds to supplement or complement each project as follows:

| Project No. | Project Name                   | Description of Additional Funding Needed  | FY 2020-21 Appropriation Amount |
|-------------|--------------------------------|---|---------------------------------|
| 14313       | Road Repair                    | Set aside for emergency or unplanned projects.  | \$150,780                       |
| 14309       | Rail Trail                     | Original \$1.3M budget for construction. However, additional funds are needed to pay for additional design services that were needed for another upcoming phase of the project. | \$ 164,220                      |
| 14312       | Green Valley Road Improvements | Original budget was \$1.2M; However, the project took longer than anticipated and funds are needed to pay remaining contract balance to close project this fiscal year.         | \$100,000                       |
| 14508       | Bicycle Safety Improvements    | Original budget was \$475K; However, the project took longer than anticipated and funds are needed to pay remaining contract balance to close project this fiscal year.         | \$60,000                        |
| 10039       | Complete Streets to Schools    | Original budget \$363K; Project was funded via Grant. Project was completed and closed. However, the last invoice was received after the project was closed.                    | \$60,000                        |

**DISCUSSION:**

Engineering staff is involved with many projects in various phases of planning, design and construction. Every year, staff works with the Finance Department to determine which projects will need to be carried forward in the annual budget to allow for appropriate project spending. With many construction projects, unforeseen conditions in the field are encountered, and commonly result in the need for additional project scope and additional time. This appropriation request is for additional work needed to address issues to complete the project properly, resulting in the need for appropriations in the current fiscal year, as described in the table above.

Staff requests an appropriation of \$535,000 from Gas Tax Fund allocations to pay for this additional work and to fund additional road repairs for unplanned and/or emergency work that will likely occur in the current 2020-2021 fiscal year. The additional appropriation request is available, as Gas Tax allocations are performing much better than originally estimated, and will be more than adequate to cover this request.

**STRATEGIC PLAN:**

This appropriation request is consistent with the following Strategic Plan Goals:  
03-Infrastructure & Environment

**FINANCIAL IMPACT:**

The \$535,000 appropriation will be funded via Gas Tax Allocations. There appropriations will complement or supplement the following projects:

| Project No. | Description                          | FY 2020-21<br>Appropriation Amount |
|-------------|--------------------------------------|------------------------------------|
| 14313       | Road Repair (emergency or unplanned) | \$150,780                          |
| 14309       | Rail Trail                           | \$164,220                          |
| 14312       | Green Valley Road Improvements       | \$100,000                          |
| 14508       | Bicycle Safety Improvements          | \$60,000                           |
| 10039       | Complete Streets to Schools          | \$60,000                           |

**ALTERNATIVE ACTION:**

No reasonable alternatives are known at this time.

**ATTACHMENTS AND/OR REFERENCES (If any):**

None.



RESOLUTION NO. \_\_\_\_\_ (CM)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
WATSONVILLE AMENDING THE 2020-2021 BUDGET TO  
APPROPRIATE \$535,000 FROM THE GAS TAX FUND TO  
SUPPLEMENT OR COMPLEMENT CERTAIN EXISTING PROJECTS IN  
THE PUBLIC WORKS DEPARTMENT**

**Amends Resolution No. 113-20 (CM)**

**WHEREAS**, with many construction projects, unforeseen conditions in the field are encountered, and commonly result in the need for additional project scope and time; and

**WHEREAS**, City staff requests a budget appropriation of \$535,000 to pay for additional scope of work to existing public works projects and to fund additional road repairs for unplanned and/or emergency work for the current 2020-2021 fiscal year.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY  
OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:**

That the Council hereby authorizes a \$535,000 budget appropriation for FY 2020-2021 from the Gas Tax Fund [0305], as fully described on Exhibit "A," attached hereto and incorporated herein for fiscal year ending June 30, 2021.

\*\*\*\*\*

**Fiscal Year 2020-2021 Appropriations  
Resolution \_\_\_\_-21**

| <b>Project No.</b> | <b>Project Name</b>            | <b>Description of Additional Funding Needed</b>   | <b>FY 2020-21<br/>Appropriation<br/>Amount</b> |
|--------------------|--------------------------------|---|--|
| 14313              | Road Repair                    | Set aside for emergency or unplanned projects.  | \$150,780                                      |
| 14309              | Rail Trail                     | Original \$1.3M budget for construction. However, additional funds are needed to pay for additional design services that were needed for another upcoming phase of the project. | \$ 164,220                                     |
| 14312              | Green Valley Road Improvements | Original budget was \$1.2M; However, the project took longer than anticipated and funds are needed to pay remaining contract balance to close project this fiscal year.         | \$100,000                                      |
| 14508              | Bicycle Safety Improvements    | Original budget was \$475K; However, the project took longer than anticipated and funds are needed to pay remaining contract balance to close project this fiscal year.         | \$60,000                                       |
| 10039              | Complete Streets to Schools    | Original budget \$363K; Project was funded via Grant. Project was completed and closed. However, the last invoice was received after the project was closed.                    | \$60,000                                       |



# Agenda Report

**MEETING DATE:** Tuesday, February 9, 2021

**TO:** City Council

**FROM:** CITY CLERK VÁZQUEZ FLORES

**SUBJECT: AWARD CONTRACT TO OLSON REMCHO, LLP. FOR  
REDISTRICTING AND DEMOGRAPHIC SERVICES AND  
AUTHORIZING BUDGET APPROPRIATION OF NOT TO EXCEED  
\$76,800**

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## STATEMENT OF ISSUES:

Section 413 of the City Charter requires the Council to redraw its district boundaries following the federal decennial census after receipt of the block-by-block enumeration derived from the census and no later than six months after receipt of the census data<sup>1</sup>.

## RECOMMENDED ACTION:

Resolution awarding contract to Olson Remcho, LLP., a political law firm, for redistricting and demographic services and authorizing a budget appropriation in an amount not to exceed \$116,800, and authorizing budget appropriation of \$76,800 from the General Fund.

## DISCUSSION:

The City has had District elections since the decision of the United States Court of Appeals; Ninth Circuit in *Gomez v. City of Watsonville* became final in 1989. The City's districts have since been redrawn in 1991, 2001, and 2011. Each time, the City hired voting rights attorney Joaquin Avila, who was the plaintiff's attorney in the 1989 *Gomez case*. Unfortunately, Mr. Avila passed away in 2018.

Over 160 of the 480 California cities now have district elections, compared to 29 in 2011. So redistricting experts and demographers will be in high demand this year.

AB 849<sup>2</sup> known as the Fair and Inclusive Redistricting for Municipalities and Political Subdivisions (FAIR MAPS) Act substantially revised the redistricting law controlling the standards and procedures for the City to redraw district boundaries. AB 849 revises and standardizes the criteria and process to be used by counties and cities when they adjust the boundaries of the electoral districts used to elect members of the jurisdictions' governing bodies. It requires counties and cities to comply with substantial new public hearing and outreach requirements as part of the process for adjusting the boundaries of electoral districts.

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<sup>1</sup> .As of the date of this Report, redistricting data is not expected to be available to the City before July 30, 2021.

<sup>2</sup> California Government Code § 21500 et seq

This law standardizes redistricting procedures and requirements for counties and cities, including imposing significant new public hearings, outreach, notice, and transparency requirements. Counties and cities are required to hold at least four hearings, including at least one hearing or workshop on a weekend or after 6 p.m. on a weekday. Counties and cities are also required to provide live translations of hearings – if requested 72 hours in advance – into languages other than English in certain situations.

On December 14, 2020, staff released a request for proposals for redistricting and demographic services. The City received two proposals from two of the most respected law firms and demographers in California:

- Olson Remcho, LLP: Amount not to exceed \$116,800
- Nielsen Merksamer: Amount not to exceed \$175,000

City Clerk Vázquez Flores, City Attorney Smith, and Assistant City Manager Vides interviewed members of both firms and recommends the Council award the contract to Remcho Olson, LLP. This firm has assisted the City in different matters before, i.e. *Martinez v. City of Watsonville* and successfully represented the City in the Pájaro Valley Unified School District Aptos secession.

Remcho Olson, LLP. will provide Council a presentation regarding the new laws and their impact on the City's redistricting process. They will review, evaluate and assess demographic data to ensure that district lines comply with all legal redistricting standards. The demographer will ensure that the City's district boundaries comply with federal and state law, the City Charter, the *Gomez* decision and respond to shifting demographic trends, public feedback, and the City's unique governance needs.

With the help of Remcho Olson, LLP., (if contracted) in the next few months, staff will bring to Council a recommendation to approve a redistricting process to be ready to start as soon as the City receives the census data.

#### **STRATEGIC PLAN:**

This action is consistent with the City's Strategic Plan priority 05-Community Engagement & Well-Being.

#### **FINANCIAL IMPACT:**

The cost of the contract is in an amount not to exceed \$116,800. The 2020-2021 Budget includes \$40,000 for redistricting; therefore, the Council needs to authorize an additional budget appropriation of \$76,800 from the General Fund.

#### **ALTERNATIVE ACTION:**

The City Council could consider Nielsen Merksamer instead, or to reject the two proposals and request new ones.

#### **ATTACHMENTS AND/OR REFERENCES (If any):**

1. AB 849 Assembly Committee on Elections and Redistricting Analysis
2. AB 849 Assembly Floor Analysis

Date of Hearing: April 10, 2019

ASSEMBLY COMMITTEE ON ELECTIONS AND REDISTRICTING

Marc Berman, Chair

AB 849 (Bonta) – As Amended March 14, 2019

**SUBJECT:** Elections: local redistricting.

**SUMMARY:** Revises the criteria and process to be used by local jurisdictions when they adopt or adjust the boundaries of the electoral districts that are used to elect members of the jurisdictions' governing bodies. Standardizes the criteria and process so that it is generally consistent across all levels of local government. Requires local jurisdictions to comply with substantial public hearing and outreach requirements as part of the process for adopting or adjusting boundaries. Specifically, **this bill**:

- 1) Requires counties, cities, special districts, school districts, community college districts, and county boards of education, when adopting or adjusting the boundaries of districts or trustee areas within the jurisdiction, to develop districts that comply with the following criteria:
  - a) Requires the districts to be substantially equal in population as determined by the census, as specified. Prohibits inmates of a state correctional facility from being counted in the jurisdiction's population except for those inmates whose last known place of residence can be assigned to a census block in the jurisdiction, as specified.
  - b) Requires the districts to comply with the United States and California Constitutions, and the federal Voting Rights Act (VRA).
  - c) Requires the district boundaries to be established using the following criteria in the following order of priority:
    - i) Requires districts to be geographically contiguous to the extent practicable, as specified.
    - ii) Requires districts to respect the geographic integrity of local neighborhoods and communities of interest to the extent practicable, as specified. Provides that the term "communities of interest" does not include relationships with political parties, incumbents, or political candidates.
    - iii) In the case of counties and special districts, requires districts to respect the geographic integrity of a city in a manner that minimizes its division, to the extent practicable.
    - iv) Provides that district boundaries should be easily identifiable and understandable by residents, and requires such boundaries to follow natural and artificial boundaries to the extent practicable, as specified.
    - v) Requires district boundaries to be drawn to encourage geographical compactness, as specified, to the extent practicable and where doing so does not conflict with higher-ranked criteria.
  - d) Prohibits districts from being drawn for the purpose of favoring or discriminating against a political party.

- e) Requires districts to be assigned numbers or letters in a manner that results in the greatest number of residents possible ending up in a district that shares the same number or letter as the resident's old district area number or letter, except as specified.
- 2) Establishes the following timelines and deadlines for local government agencies to adjust district boundaries in the year following the decennial census:
    - a) Prohibits a local jurisdiction from adjusting district boundaries before August 31 of the year following the census. Permits hearings or workshops to be held prior to August 31, provided that the boundaries of new districts are not adopted before that date.
    - b) Requires district boundaries to be adjusted no later than 151 days before the jurisdiction's first regular election occurring after March 1 of the second year following the census (i.e., a year ending in the number "2").
  - 3) Requires the chief legal officer of a local government agency, if an entity fails to adopt district boundaries by the deadline, to petition the superior court in the county for an order adopting district boundaries. Permits a resident to petition the court if the legal officer fails to do so within five days after the deadline.
    - a) Requires the court to adopt boundaries using the criteria specified above. Requires the new boundaries to be used in the agency's next regular election. Permits the court to order the adjustment of deadlines as necessary to implement the new boundaries.
    - b) Requires the court to hold at least one public hearing before adopting district boundaries.
    - c) Permits the court to appoint a special master to assist the court in adopting boundaries. Requires the agency to pay for the cost of the special master.
  - 4) Requires a local government agency that is transitioning from at-large to district-based elections, or when adjusting district boundaries following the federal decennial census, to comply with the following public hearing requirements:
    - a) In local governments with a population of fewer than 50,000 residents, a minimum of four hearings, subject to the following conditions:
      - i) At least one hearing before the agency draws a draft map of proposed district boundaries, and at least three hearings after drawing a draft map;
      - ii) At least one hearing must be held in a different geographic area; and,
      - iii) At least one hearing must be held on a weekend, or after 6 p.m. on a weekday.
    - b) In local governments with a population of 50,000 – 99,999 residents, a minimum of six hearings, subject to the following conditions:
      - i) At least two hearings before the agency draws a draft map, and at least four hearings after drawing a draft map;
      - ii) At least two hearings must be held in a different geographic area; and,



- iii) At least two hearings must be held on a weekend, or after 6 p.m. on a weekday.
  - c) In local governments with a population of 100,000 residents or more, a minimum of 10 hearings, subject to the following conditions:
    - i) At least four hearings before the agency draws a draft map, and at least six hearings after drawing a draft map;
    - ii) At least three hearings must be held in a different geographic area; and,
    - iii) At least three hearings must be held on a weekend, or after 6 p.m. on a weekday.
  - d) Requires hearing buildings to be accessible to persons with disabilities. Specifies that where practicable, hearing buildings should be located within walking distance of free parking and public transit.
  - e) Requires a hearing to be noticed for and to begin at a fixed time if it is consolidated with a regular or special meeting of the governmental agency that includes other substantive agenda items.
- 5) Requires a local government agency that is transitioning from at-large to district-based elections, or when adjusting district boundaries following the federal decennial census, to comply with the following outreach, language assistance, and public notice requirements:
- a) Requires the agency to encourage residents, including those in underrepresented and non-English speaking communities, to participate in the process, including the following:
    - i) Providing information in English and other languages in which the jurisdiction is required to provide language assistance pursuant to state or federal law, as specified.
    - ii) Providing information through good government, civil rights, civic engagement, or community groups or organizations that are active in the jurisdiction, including those active in language minority communities.
  - b) Requires the agency to arrange live translation of any public hearing or workshop into a language in which the jurisdiction is required to provide language assistance, as specified, if a request is made at least 72 hours before the hearing or workshop.
  - c) Requires the agenda for any public hearing or workshop to be published on the internet at least five days before the hearing or workshop.
  - d) Requires the first version of a draft map of district boundaries to be published on the internet at least seven days before being considered at a hearing. Requires a draft map that is revised, as specified, to be published on the internet for at least seven days before being adopted by the agency, unless there are fewer than 165 days until the jurisdiction's next regular election, in which case the draft must be published for at least three days.
  - e) Requires each draft map prepared by the agency to be accompanied by specified demographic information that the agency has about the proposed districts.

- f) Requires the public to be permitted to submit testimony or draft maps in writing and electronically.
- g) Requires all hearings to be audio- or video-recorded, and made available on the internet within 72 hours of the hearing.
- h) Requires the jurisdiction to create and maintain a website during the districting or redistricting process, and for at least 10 years thereafter. Requires the website to include or link to the following information:
  - i) An explanation of the redistricting process for the jurisdiction, in English and any other languages in which the jurisdiction is required to provide language assistance.
  - ii) The procedures for public testimony during a hearing, and for submitting written testimony to the agency, in English and other languages in which the jurisdiction is required to provide language assistance.
  - iii) A calendar of hearings and workshop dates.
  - iv) The notice and agenda for each hearing and workshop.
  - v) The audio- or video-recording, draft minutes, and adopted minutes of each hearing.
  - vi) Each draft map considered by the agency at a hearing.
  - vii) The adopted map of district boundaries and the report that explains how the body made its decisions in achieving compliance with the required criteria.
- 6) Provides that if the boundaries of a city or special district expand as the result of the addition of new territory, the new territory shall be added to the nearest district without changing the boundaries of the other districts. Permits new boundaries to be adopted, notwithstanding the general prohibition on mid-decade redistricting that would be created by this bill, if both of the following conditions are met:
  - a) There are more than four years until the next scheduled redistricting; and,
  - b) The population of the new territory being added is greater than 25 percent of the jurisdiction's population, as specified.
- 7) Prohibits a county, city, or special district, after districting or redistricting, from adopting new district boundaries until after the next federal census except as follows:
  - a) If a court orders the jurisdiction to redistrict.
  - b) If the jurisdiction is settling a legal claim that its district boundaries violate the United States Constitution, the VRA, or relevant provisions of state law.
  - c) If the boundaries of the jurisdiction change by the addition or subtraction of territory.

- 8) Establishes the following deadlines for a city or special district to adopt district boundaries, if the jurisdiction has legally committed, as specified, to adopt new district boundaries:
  - a) If the commitment was made more than 180 days before the jurisdiction's next regular election, the jurisdiction must adopt boundaries at least 151 days before that election.
  - b) If the commitment was made between 180 and 151 days before the election, the jurisdiction must adopt boundaries at least 125 days before the election.
- 9) Requires the body responsible for adopting boundary lines to issue a report within two weeks of adopting the lines that explains the basis on which the body made its decisions in achieving compliance with the criteria specified in this bill.
- 10) Provides, in the case of a county, city, or special district, that this bill generally shall not be interpreted to limit the discretionary remedial authority of federal or state courts, or to limit a court's ability to fashion a remedy that conflicts with the provisions of this bill.
- 11) Provides that the following provisions of this bill do not apply to a charter city, as specified:
  - a) The criteria for drawing districts, if the city has redistricting criteria in its city charter.
  - b) The deadlines for redistricting, if the city has adopted a different deadline by ordinance or in its charter.
  - c) The provisions governing the adjustment of boundaries when a city adds territory, if the city has adopted a different standard by ordinance or in its charter.
  - d) The provisions governing mid-cycle redistricting, if the city has adopted different rules for mid-cycle redistricting in its charter.
  - e) The provisions governing situations where a city fails to redistrict by the deadline, if the city has adopted in its charter a different method for adopting district boundaries when it misses a redistricting deadline.
- 12) Makes corresponding and conforming changes.

#### **EXISTING STATE LAW:**

- 1) Establishes rules that counties, cities, county boards of education, community college districts, and school districts must follow when they adopt or adjust the boundaries of electoral districts used to elect members of the jurisdictions' governing bodies, as follows:
  - a) **Criteria** – Generally requires districts to have equal populations. Permits, but does not require counties, cities, special districts, and county boards of education to consider topography; geography; cohesiveness, contiguity, integrity, and compactness of territory; and communities of interest when establishing or adjusting district boundaries.
  - b) **Mid-Decade Redistricting** – Permits most types of governmental entities, after adjusting district boundaries following the decennial census, to adjust those boundaries again before the next decennial census, subject to certain conditions.

- c) **Deadlines** – Establishes varying deadlines for a jurisdiction to adopt district boundaries following the decennial census, depending on the type of governmental entity. State law generally provides that jurisdictional boundary changes must occur at least 125 days before an election in order to be effective for that election.
  - d) **Failure to Redistrict** – Specifies varying remedies in situations where a jurisdiction fails to adjust district boundaries by the required deadline following the decennial census, depending on the type of governmental entity, including electing governing board members at-large, instead of by districts. For some governmental entities, existing law does not specify a remedy if the jurisdiction fails to adjust district boundaries as required.
  - e) **Public Hearings** – Requires most types of governmental entities to hold at least one public hearing on a proposal to adjust district boundaries prior to the hearing at which the jurisdiction votes to approve or defeat the proposal.
- 2) Requires the Secretary of State, by January 1 of each year in which the Governor is elected, to determine the precincts where three percent or more of the voting age residents are members of a single language minority and lack sufficient skills in English to vote without assistance. Requires county elections officials, for each specified precinct, to provide a facsimile ballot and related instructions in the specified language or languages, as specified.
  - 3) Requires the California Department of Corrections and Rehabilitation (CDCR) to furnish information to the Legislature and the Citizens Redistricting Commission (CRC) about the last known pre-incarceration place of residence of inmates incarcerated in state correctional facilities on the day of the decennial federal census. Requires the Legislature, in coordination with the CRC, to ensure that the information provided by CDCR is included in a specified computerized database that is used for redistricting. Requests the CRC to use this information to deem each person incarcerated in a CDCR facility as residing at his or her last known place of residence, rather than at the institution of his or her incarceration, when carrying out its redistricting responsibilities.

#### **EXISTING FEDERAL LAW:**

- 1) Requires a state or a political subdivision of a state to provide voting materials in the language of a minority group when that group within the jurisdiction has an illiteracy rate that is higher than the national illiteracy rate, and the number of the United States citizens of voting age in that language group within the jurisdiction meets at least one of the following:
  - a) Numbers more than 10,000;
  - b) Makes up more than five percent of all voting age citizens; or,
  - c) On an Indian reservation, exceeds five percent of all reservation residents.
- 2) Defines language minorities or language minority groups, for the purposes of the above provisions, to mean persons who are American Indian, Asian American, Alaskan Natives, or of Spanish heritage.

**FISCAL EFFECT:** Unknown. State-mandated local program; contains reimbursement direction.

**COMMENTS:****1) Purpose of the Bill:** According to the author:

Redistricting is of crucial importance to local democracy. How county supervisor, city council, school board, and other local government election districts are drawn can help determine, for the next decade, whether or not a community will be represented at their closest levels of government...

AB 849 would reform California's local redistricting laws to improve criteria, transparency and public engagement. AB 849 demonstrates our State's commitment that representative and inclusive democracy matters at all levels of government, including local. These reforms will result in a redistricting process that is fairer to California's diverse communities, more transparent, better organized, and more consistently-applied across all local governments.

AB 849 would specifically:

- Strengthen the criteria for local redistricting and minimize the possibility of gerrymandering by prioritizing keeping neighborhoods and communities intact;
- Bring new voices into the redistricting process, by requiring public engagement that includes engaging non-English-speaking communities that are otherwise all-too-often overlooked;
- Improve transparency by requiring local governments publish draft maps online for 7 days before they can be adopted; and
- Adopt logical redistricting deadlines that expand opportunities for public participation and set up consistent and fair remedies for when those deadlines are missed.

**2) Local Redistricting Requirements:** State laws governing redistricting for local agencies vary depending on the level of government: for instance, different rules apply to school districts and community college districts than apply to cities. Similarly, different rules apply to counties than to special districts. Notwithstanding these differences, many of the local redistricting rules are similar: the criteria required to be used when drawing district lines is very similar for counties, cities, special districts, and county boards of education, for example. Similarly, most local jurisdictions are required to hold at least two public hearings when adjusting district boundaries. Other local redistricting rules vary much more significantly. For example, a variety of different deadlines apply for local jurisdictions to adopt boundaries.

While the Legislature has approved bills in recent years to permit local jurisdictions to create redistricting commissions (see "Previous Legislation" below), the rules that govern the redistricting process itself generally have not been changed in years or even decades. The criteria that must be used for drawing county supervisorial districts, for example, has largely been unchanged since at least 1947 (the only notable change since that time was an update to state law to require that supervisorial districts comply with the VRA).

This bill updates the rules that apply to local redistricting and provides greater standardization of the rules that apply to different types of local governmental entities.

- 3) **Public Engagement Requirements:** Existing law requires most local entities to hold at least one public hearing on the topic of adjusting district boundaries before the hearing at which boundaries are adopted. Additionally, jurisdictions that are transitioning from at-large to district-based elections generally must hold at least four public hearings—at least two before drawing any draft map of districts, and at least two after releasing a draft map.

This bill imposes significant new public hearing, outreach, notice, and transparency requirements. Under this bill, jurisdictions with populations of 100,000 or more residents would be required to hold at least 10 hearings, including at least three on weekends or after 6 p.m. on weekdays, and at least three in different geographic locations. Jurisdictions would additionally be required to provide live translations of hearings—if requested 72 hours in advance—into any language in which the jurisdiction is required to provide language assistance under specified provisions of state and federal law.

These requirements could be challenging to meet. Los Angeles County, for instance, would be required to offer live translations in as many as nine languages other than English; Fresno County in as many as eight languages; and as many as seven languages in Alameda, Sacramento, and San Diego Counties. Other potentially challenging requirements for local governments include public notice requirements that exceed the rules in the Brown Act and a requirement that the agency prepare a report that explains the basis on which the body made its decisions in achieving compliance with the required criteria.

Notwithstanding the goal of standardizing redistricting procedures and requirements, the author and the committee may wish to consider whether the one-size-fits-all approach embodied in this bill is sufficiently flexible to provide a workable solution in every local government jurisdiction in the state that is divided into districts, and thus that will be required to adjust district boundaries after each federal decennial census. While the bill does contain different requirements on the number of hearings that are required depending on the population of the jurisdiction, this bill nonetheless imposes significant restrictions governing the hearings in all jurisdictions, regardless of population. These requirements may be especially difficult for local governments with small staffs, and for governmental bodies that meet only occasionally, to meet, regardless of the population of the jurisdiction.

- 4) **Transitions to Districts and Suggested Amendments:** Most of the provisions of this bill apply both to situations where a local government agency is redrawing existing district boundaries, as well as when an agency is transitioning from at-large to district-based elections. Over the last 12 years, more than 200 local government bodies have transitioned from at-large to district-based elections. Those transitions largely have been driven by the California Voting Rights Act (CVRA).

The CVRA, which was enacted through the passage of SB 976 (Polanco), Chapter 129, Statutes of 2002, was designed to address racial block voting in at-large elections for local office in California. In areas where racial block voting occurs, an at-large method of election can dilute the voting rights of minority communities if the majority typically supports candidates that differ from candidates preferred by minority communities. In such situations,

breaking a jurisdiction up into districts can result in districts in which a minority community can elect the candidate of its choice or otherwise have the ability to influence the outcome of an election. Accordingly, the CVRA prohibits an at-large method of election from being imposed or applied in a political subdivision in a manner that impairs the ability of a protected class of voters to elect the candidate of its choice or to influence the outcome of an election, as a result of the dilution or the abridgement of the rights of voters who are members of the protected class. In an effort to increase the likelihood that attorneys would be willing to bring challenges to at-large elections, the CVRA permits a prevailing plaintiff party to recover attorneys' fees and litigation expenses.

In recent years, the Legislature has taken steps to establish more formal mechanisms for prospective plaintiffs and local jurisdictions to address at-large election systems that are potentially unlawful under the CVRA prior to litigation being filed. Notably, AB 350 (Alejo), Chapter 737, Statutes of 2016, required that written notice be provided before an action can be brought against a political subdivision under the CVRA, and capped the amount of attorneys' fees that a prospective plaintiff could recover from a political subdivision under the CVRA if the subdivision promptly transitioned from an at-large to a district-based method of election upon receiving such a written notice. To take full advantage of the cap on attorneys' fees, a jurisdiction has a maximum of 135 days after receiving the written notice to adopt district-based elections and finalize the district boundaries, unless the person who sent the written notice agrees to a longer period of time.

Jurisdictions that elect governing board members by districts know that they will need to adjust those district boundaries following the federal decennial census, so they are able to plan for that process in advance and develop timelines accordingly. By contrast, a jurisdiction that conducts at-large elections can receive a written notice described above at any time, without any advance notice. Given the short period of time that a jurisdiction has to adopt district boundaries in order to take advantage on the cap on attorneys' fees, it may be unreasonable to expect a jurisdiction that is transitioning from at-large to district-based elections to comply with the extensive public outreach, hearing, notice, and related public engagement requirements included in this bill as a part of that transition. Accordingly, the author and the committee may wish to consider amendments to exclude jurisdictions that are establishing districts for the first time from these public engagement requirements.

Additionally, this bill requires a city or special district that makes a commitment to transition from at-large to district-based elections at least 151 days before the jurisdiction's next regular election, as specified, to adopt district boundaries in time for that election. As noted above, state law generally provides that jurisdictional boundary changes must occur at least 125 days before an election in order to be effective for that election. As a result, a jurisdiction could have as little as 26 days to complete the entire process of enacting district-based elections and adopting district boundaries under this bill. Such a timeline seems inconsistent with the public engagement requirements both in this bill and in existing law. Accordingly, committee staff recommends that this bill be amended to delete the provisions that set deadlines for cities or special districts to adopt district boundaries when transitioning to district-based elections.

- 5) **Broad Court Authority and Suggested Amendment:** Various provisions of this bill provide that state law governing local redistricting "shall not be interpreted to limit the discretionary remedial authority of any federal or state court, or to limit a federal or state



court's ability to fashion a remedy that conflicts with" specified provisions of state law.

If the author and supporters of this bill believe that the remedies that are available to courts under existing law and this bill are insufficient, the appropriate way to address that concern is to consider amending state law to allow for additional remedies. The language in this bill, by contrast, appears to give courts unfettered discretion to adopt remedies that conflict with the standards and best practices that this bill seeks to codify, potentially even including remedies that were considered and rejected as part of the legislative process. Accordingly, committee staff recommends that this bill be amended to delete these provisions of the bill.

- 6) **Court-Adopted Boundaries:** This bill requires the superior court in the relevant county to adopt new district boundaries for a jurisdiction when the jurisdiction fails to do so by the 151st day before its next regularly scheduled election. State law requires jurisdictional changes to occur at least 125 days before an election in order to be used for that election. Although this bill allows a superior court to order the adjustment of electoral deadlines as necessary to implement the new district boundaries in the next regular election, practical considerations will limit the ability to adjust many deadlines by more than a nominal amount. Elections officials, for example, need time to establish precincts and provide for candidate filing before ballots can be finalized for an election. Under state law, ballots start being mailed out to overseas and military voters on the 60th day before an election. Given these tight timeframes, the deadlines in this bill may make it difficult for a court to adopt a jurisdiction's redistricting plan in time for the next election.
- 7) **Prison Inmates and Redistricting:** The United States Census Bureau's policy for counting people in correctional facilities on census day is that those individuals are to be counted at the facility of incarceration. As a result, census data, which typically is the basis for redistricting, shows people who are housed in correctional facilities as residing at those facilities. Due to concerns that this policy artificially inflates the political influence of districts where prisons are located at the expense of other voters, state law requests that the CRC deem individuals who are incarcerated in state prison as residing at their last known residences for redistricting purposes, rather than the institutions of at which they are incarcerated. State law also provides for the state's redistricting database to be adjusted accordingly. This bill generally requires local governments to use the adjusted data that reflects the last known residences of individuals who are incarcerated in state prison, rather than considering those individuals to be residents of the prison.
- 8) **Technical Amendment:** Committee staff recommends the following technical amendment to correct a drafting error in this bill:

On page 39, line 34, strike out "(b)" and insert "(c)".

- 9) **Arguments in Support:** One of the co-sponsors of this bill, Asian Americans Advancing Justice-California, writes:

How local election district lines are drawn in 2021 and 2022 will help to determine which communities will be represented – or potentially ignored – for the next decade in California. This next redistricting will take place against a backdrop of already severe underrepresentation in local government for many California communities. For example, while Latinos are nearly 45% of

California's population, they represent only 10% of county supervisors and 15% of city councilmembers, according to a 2016 NALEO study. It is therefore critical that the 2021 local redistricting cycle, and subsequent redistrictings, promote – and not impede – the goal of fair representation for all of California's diverse communities.

Unfortunately, the current laws governing local redistricting are obsolete, illogical, and inconsistent with the goal of promoting fair representation. For example, unlike for state and congressional redistricting, there is no standard requiring that local governments redistrict to keep communities intact. District maps can be drafted in secret then introduced and adopted at the same meeting without first being published and shared with the public. Despite the democratic importance of this once-per-decade process, there is no public outreach requirement, including to non-English-speaking communities who are less likely to be aware of the process. And, contrary to reason and the remainder of state public policy, if a general law city misses the redistricting deadline it perplexingly reverts to holding at-large elections, which may have the effect of undermining minority representation.

- 10) **Arguments in Opposition:** In a joint letter of opposition to this bill, the California Special Districts Association, City Clerks Association of California, and League of California Cities writes:

This bill appears to be a solution in search of a problem. In 2016, Senate Bill 1108 authorized all California cities and counties to create independent citizens commissions to redraw district lines. However, rather than allow those independent commissions to be established and determine the amount of public meetings they need to accomplish their goals and meet the needs of their communities, this bill strips local control and mandates how every type of local government must outreach to their own communities.

Unfortunately, the requirements AB 849 will create unworkable confusion and implementation challenges for thousands of local government agencies, remove virtually all local discretion on essentially every aspect of how an agency can establish, adopt and [redraw] electoral boundaries— resulting in hundreds of millions of dollars of mandates which will either be unfunded or suspended by the State. For years our organizations individually and collectively have worked in good faith with the sponsors of this measure on issues pertaining to the California Voting Rights Act, California Public Records Act as well as a variety of other elections issues and transparency issues. Rather than pursue an adversarial measure that completely upends the entire process by which our local agencies establish boundaries, our organizations would be willing to work in a collaborative manner to find ways to address concerns.

Three other organizations that represent counties (the California State Association of Counties, Rural County Representatives of California, and Urban Counties of California) are opposed unless the bill is amended to (1) appropriate funding for counties to meet the obligations in the bill, and (2) revise the procedures when a county fails to adopt district boundaries by the required deadlines, as the organizations believe it would create a

“potentially-troubling conflict” to require the county counsel to petition the superior court to establish district boundaries in such a situation, as would be required by this bill.

- 11) **Related Legislation:** AB 1724 (Salas), which is also being heard in this committee today, requires general law cities and counties to establish independent redistricting commissions that are modeled after the CRC, as specified.

SB 139 (Allen), requires a county with a population of more than 250,000 residents to establish an independent redistricting commission to adopt the county’s supervisorial districts following each federal decennial census. SB 139 was approved by the Senate Elections & Constitutional Amendments Committee on a 4-0 vote, and is pending in the Senate Governance & Finance Committee.

- 12) **Previous Legislation:** SB 1108 (Allen), Chapter 784, Statutes of 2016, permits a county or a general law city to establish a redistricting commission, subject to certain conditions.

SB 1018 (Allen), Chapter 462, Statutes of 2018, allows school, community college, and special districts to establish redistricting commissions, allows local jurisdictions to establish hybrid redistricting commissions, and modifies the conditions for individuals who are permitted to serve on independent redistricting commissions.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

Asian Americans Advancing Justice – California (co-sponsor)  
 California Common Cause (co-sponsor)  
 League of Women Voters of California (co-sponsor)  
 American Civil Liberties Union of California  
 California League of Conservation Voters  
 California League of United Latin American Citizens  
 Council on American-Islamic Relations – California  
 Mexican American Legal Defense and Educational Fund  
 Mi Familia Vota  
 RepresentUs  
 1 individual

### **Opposition**

Association of California Healthcare Districts  
 California Special Districts Association  
 California State Association of Counties (unless amended)  
 City Clerks Association of California  
 League of California Cities  
 Rural County Representatives of California (unless amended)  
 Urban Counties of California (unless amended)

**Analysis Prepared by:** Ethan Jones / E. & R. / (916) 319-2094

## CONCURRENCE IN SENATE AMENDMENTS

AB 849 (Bonta)

As Amended September 4, 2019

Majority vote

### SUMMARY:

Revises and standardizes the criteria and process to be used by counties and cities when they adjust the boundaries of the electoral districts that are used to elect members of the jurisdictions' governing bodies. Requires counties and cities to comply with substantial public hearing and outreach requirements as part of the process for adjusting the boundaries of electoral districts.

#### The Senate Amendments:

- 1) Delete a provision of this bill that would have required a city or county, within two weeks of adopting new district boundaries, to issue a report explaining how the jurisdiction made its decisions in achieving compliance with the redistricting criteria in state law.
- 2) Delete provisions of this bill that would have established rules for a city or county to follow when assigning district numbers to newly adopted districts.
- 3) Reduce, from two to one, the number of public hearings that a city or county is required to conduct *before* drawing a draft map or maps of district boundaries.
- 4) Eliminate provisions of this bill that would have required a city or county to provide redistricting information, as specified, in languages in which the jurisdiction is required to provide language assistance for elections under specified provisions of *state* law. Require a city to provide redistricting information in any language that is spoken by a group of city residents with limited English proficiency who constitute 3% or more of the city's total population over four years of age for whom language can be determined, as specified.
- 5) Require the Secretary of State (SOS) to publish templates on the internet explaining the county and city redistricting processes under this bill.
- 6) Permit a city or county to prepare written summaries of public comment and deliberations made at public hearings or workshops relating to local redistricting, in lieu of requiring public recordings of all such hearings and workshops.
- 7) Make other minor, technical, and clarifying changes.

### COMMENTS:

State laws governing redistricting for local agencies vary depending on the level of government: for instance, different rules apply to school districts and community college districts than apply to cities. Similarly, different rules apply to counties than to special districts. Notwithstanding these differences, many of the local redistricting rules are similar: the criteria required to be used when drawing district lines is very similar for counties, cities, special districts, and county boards of education, for example. Similarly, most local jurisdictions are required to hold at least two public hearings when adjusting district boundaries. Other local redistricting rules vary much more significantly. For example, a variety of different deadlines apply for local jurisdictions to adopt boundaries.

While the Legislature has approved bills in recent years to permit local jurisdictions to create redistricting commissions, the rules that govern the redistricting process itself generally have not been changed in years or even decades. The criteria that must be used for drawing county supervisorial districts, for example, has largely been unchanged since at least 1947 (the only notable change since that time was an update to state law to require that supervisorial districts comply with the federal Voting Rights Act).

This bill seeks to standardize redistricting procedures and requirements for counties and cities, including imposing significant new public hearing, outreach, notice, and transparency requirements. Under this bill, counties and cities would be required to hold at least four hearings, including at least one hearing or workshop on a weekend or after 6 p.m. on a weekday. Counties and cities would additionally be required to provide live translations of hearings – if requested 72 hours in advance – into languages other than English in certain situations.

Please see the policy committee analysis for a full discussion of this bill.

#### **According to the Author:**

"AB 849 would reform California's local redistricting laws to improve criteria, transparency and public engagement. AB 849 demonstrates our State's commitment that representative and inclusive democracy matters at all levels of government, including local. These reforms will result in a redistricting process that is fairer to California's diverse communities, more transparent, better organized, and more consistently-applied across all local governments."

#### **Arguments in Support:**

In support of a prior version of this bill, California Common Cause wrote "AB 849 establishes fair criteria for redistricting that puts neighborhoods and communities first; adds outreach and hearing requirements so that all residents – including working and non-English-speaking Californians – can have a say in how their districts are drawn; and modifies the timing of local redistricting to better align with the moving up of the State Primary. If enacted, AB 849 would be one of the most meaningful reforms of the local redistricting process in the past several decades."

#### **Arguments in Opposition:**

In opposition to a prior version of this bill, the City of Pasadena wrote, "AB 849 mandates changes to the criteria considered for redistricting and, more importantly, establishes an inflexible order of priorities by which said criteria must be considered by charter cities when establishing voting district boundaries. Establishing this set priority would remove virtually all local discretion on essential aspects of how our local communities function. For example, AB 849 would elevate 'communities of interest' over boundaries by streets, leaving cities like Pasadena little to no leeway to prioritize a street boundary that has dramatically shaped Pasadena since its inception. In this way, AB 849 would create confusion and implementation challenges for not only Pasadena, but other cities and counties in California."

#### **FISCAL COMMENTS:**

According to the Senate Appropriations Committee:

- 1) The SOS indicates that its costs to implement this bill would be minor and absorbable.

- 2) By requiring local governments to comply with new local redistricting requirements, this bill creates a state-mandated local program. To the extent that the Commission on State Mandates determines the provisions of this bill create a new program or impose a higher level of service, local agencies may seek reimbursement for those costs (General Fund). The decennial amount is unknown, but would likely be in the hundreds of thousands of dollars, potentially reaching the low millions of dollars.

**VOTES:**

**ASM ELECTIONS AND REDISTRICTING: 5-2-0**

**YES:** Berman, Calderon, Low, Mullin, Weber

**NO:** Gallagher, Mayes

**ASM LOCAL GOVERNMENT: 6-2-0**

**YES:** Aguiar-Curry, Bloom, Boerner Horvath, Ramos, Luz Rivas, Robert Rivas

**NO:** Lackey, Voepel

**ASM APPROPRIATIONS: 13-5-0**

**YES:** Gonzalez, Bloom, Bonta, Calderon, Carrillo, Chau, Eggman, Gabriel, Eduardo Garcia, Maienschein, Petrie-Norris, Quirk, Robert Rivas

**NO:** Bigelow, Brough, Diep, Fong, Obernolte

**ASSEMBLY FLOOR: 55-20-5**

**YES:** Aguiar-Curry, Arambula, Bauer-Kahan, Berman, Bloom, Boerner Horvath, Bonta, Burke, Calderon, Carrillo, Cervantes, Chau, Chiu, Chu, Cooper, Eggman, Friedman, Gabriel, Cristina Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Levine, Limón, Low, Maienschein, McCarty, Medina, Mullin, Nazarian, O'Donnell, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez,

Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Weber, Wicks, Wood, Rendon

**NO:** Bigelow, Brough, Chen, Choi, Cunningham, Dahle, Diep, Flora, Fong, Frazier, Gallagher, Kiley, Lackey, Mathis, Mayes, Melendez, Obernolte, Patterson, Voepel, Waldron

**ABS, ABST OR NV:** Cooley, Daly, Eduardo Garcia, Kamlager-Dove, Muratsuchi

**SENATE FLOOR: 29-10-1**

**YES:** Allen, Archuleta, Atkins, Beall, Bradford, Caballero, Dodd, Durazo, Galgiani, Glazer, Lena Gonzalez, Hertzberg, Hill, Hueso, Hurtado, Jackson, Leyva, McGuire, Mitchell, Monning, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

**NO:** Bates, Borgeas, Chang, Dahle, Grove, Jones, Moorlach, Morrell, Stone, Wilk

**ABS, ABST OR NV:** Nielsen

**UPDATED:**

VERSION: September 4, 2019

CONSULTANT: Ethan Jones / E. & R. / (916) 319-2094

FN: 0002141

**RESOLUTION NO. \_\_\_\_\_ (CM)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE AWARING CONTRACT TO OLSON REMCHO, LLP., FOR REDISTRICTING AND DEMOGRAPHIC SERVICES, IN AN AMOUNT NOT TO EXCEED \$116,800; AUTHORIZING A BUDGET APPROPRIATION OF \$76,800 FROM THE GENERAL FUND; AND AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE SAME**

**WHEREAS,** § 3-5.500 of the Municipal code provides that an RFP or RFQ process is found to be an effective and efficient way to procure professional services and procurement of professional services shall be based on proposals solicited from capable professionals and be evaluated based on a combination of factors including education, training, experience and demonstrated competence and professional qualifications necessary for the satisfactory performance of the services required; and

**WHEREAS,** § 3-5.540 of the Municipal Code provides that contracts for professional services estimated to cost more than One Hundred Thousand and no/100ths (\$100,000.00) Dollars must be awarded by the Council, and that the selection will be based on demonstrated competence and on the education, training and experience and professional qualifications necessary for the satisfactory performance of the services required; and

**WHEREAS,** a Request for Proposals (RFP) was issued on December 14, 2020, asking for qualified professionals to assist the City for Redistricting of Council Districts and Demography Services; and

**WHEREAS,** the deadline for submittal of Request for Proposals was January 21, 2021; and

**WHEREAS,** the City Manager has recommended that the proposal from Olson Remcho, LLP., a limited liability partnership, in an amount not to exceed \$116,800, be accepted as the best response.



**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:**

1. That the proposal of Olson Remcho, LLP., a limited liability partnership, in an amount not to exceed \$116,800, is hereby accepted.
2. That the Contract for Consultant Services between the City of Watsonville and Olson Remcho, LLP., a limited liability partnership, for Redistricting of Council Districts and Demography Services, a copy of which Contract is attached hereto and incorporated herein by this reference, is fair and equitable and is hereby ratified and approved.
3. Consultant shall file FPPC form 700s and 805s pursuant to section 19 of the Contract.
4. That the budget appropriation of \$116,800 from the General Fund [0150] is hereby authorized.
5. That the City Manager be and is hereby authorized and directed to execute the Contract for and on behalf of the City.
6. That all other proposals are hereby rejected.

\*\*\*\*\*

**CONTRACT FOR CONSULTANT SERVICES BETWEEN  
THE CITY OF WATSONVILLE AND OLSON REMCHO, LLP.**

**THIS CONTRACT**, is made and entered into this February 10, 2021, by and between the **City of Watsonville**, a municipal corporation, hereinafter called "City," and **Olson Remcho, LLP.**, hereinafter called "Consultant."

**WITNESSETH**

**WHEREAS**, the City needs to obtain certain professional, technical and/or specialized services of an independent contractor to assist the City in the most economical manner; and

**WHEREAS**, Consultant has the requisite skill, training, qualifications, and experience to render such services called for under this Contract to City.

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## **THE PARTIES HEREBY AGREE AS FOLLOWS:**

### **SECTION 1. SCOPE OF SERVICES.**

Consultant shall perform those services as specified in detail in Exhibit "A," entitled "SCOPE OF SERVICES" which is attached hereto and incorporated herein.

### **SECTION 2. TERM OF CONTRACT.**

The term of this Contract shall be from February 10, 2021, to June 30, 2022, inclusive.

### **SECTION 3. SCHEDULE OF PERFORMANCE.**

The services of Consultant are to be completed according to the schedule set out in Exhibit "B," entitled "SCHEDULE OF PERFORMANCE," which is attached hereto and incorporated herein. Consultant will diligently proceed with the agreed Scope of Services and will provide such services in a timely manner in accordance with the "SCHEDULE OF PERFORMANCE."

### **SECTION 4. COMPENSATION.**

The compensation to be paid to Consultant including both payment for professional services and reimbursable expenses as well as the rate and schedule of payment are set out in Exhibit "C" entitled "COMPENSATION," which is attached hereto and incorporated herein.

### **SECTION 5. METHOD OF PAYMENT.**

Except as otherwise provided in Exhibit "C," each month, Consultant shall furnish to the City a statement of the work performed for compensation during the preceding month. Such statement shall also include a detailed record of the month's actual reimbursable expenditures.

### **SECTION 6. INDEPENDENT CONSULTANT.**

It is understood and agreed that Consultant, in the performance of the work and services agreed to be performed by Consultant, shall act as and be an independent Consultant and not an agent or employee of City, and as an independent Consultant, shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights.

### **SECTION 7. ASSIGNABILITY.**

Consultant shall not assign or transfer any interest in this Contract nor the performance of any of Consultant's obligations hereunder, without the prior written consent of City, and any attempt by Consultant to so assign this Contract or any rights, duties or obligations arising hereunder shall be void and of no effect.

### **SECTION 8. INDEMNIFICATION.**

Consultant has the expertise and experience necessary to perform the services and duties agreed to be performed by Consultant under this Contract, and City is relying upon the skill and knowledge of Consultant to perform said services and duties. Consultant shall defend, indemnify and hold harmless City, its officers and employees,

against any loss or liability arising out of or resulting in any way from work performed under this Contract due to the willful or negligent acts (active or passive) or errors or omissions by Consultant or Consultant's officers, employees or agents.

## **SECTION 9. INSURANCE.**

A. Errors and Omissions Insurance. Consultant shall obtain and maintain in full force throughout the term of this Contract a professional liability insurance policy (Errors and Omissions), in a company authorized to issue such insurance in the State of California, with limits of liability of not less than One Million Dollars (\$1,000,000.00) to cover all professional services rendered pursuant to this Contract.

B. Auto and Commercial General Liability Insurance. Consultant shall also maintain in full force and effect for the term of this Contract, automobile insurance and commercial general liability insurance with an insurance carrier satisfactory to City, which insurance shall include protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from any actual occurrence arising out of the performance of this Contract. The amounts of insurance shall not be less than the following:

(1) Commercial general liability insurance, or equivalent form, with a combined single limit of not less than \$1,000,000.00 per occurrence. If such insurance contains a general aggregate limit, such limit shall apply separately to each project Consultant performs for City. Such insurance shall (a) name City, its appointed and elected officials, and its employees as insureds; and (b) be primary with respect to insurance or self-insurance programs maintained by City and (c) contain standard separation of insured's provisions.

(2) Business automobile liability insurance, or equivalent form, with a combined single limit of not less than \$1,000,000.00 per occurrence. Such insurance shall include coverage for owned, hired and non-owned automobiles.

C. Workers' Compensation Insurance. In accordance with the provisions of Section 3700 of the Labor Code, Consultant shall be insured against liability for Workers' Compensation or undertake self-insurance. Consultant agrees to comply with such provisions before commencing performance of any work under this Contract.

D. Proof of Insurance to City before Notice to Proceed to Work. Consultant shall satisfactorily provide certificates and endorsements of insurance to the City Clerk before Notice to Proceed to Work of this Contract will be issued. Certificates and policies shall state that the policy shall not be canceled or reduced in coverage without thirty (30) days written notice to City. Approval of insurance by City shall not relieve or decrease the extent to which Consultant may be held responsible for payment of damages resulting from services or operations performed pursuant to this Contract. Consultant shall not perform any work under this Contract until Consultant has obtained the required insurance and until the required certificates have been submitted to the City and approved by the City Attorney. If Consultant fails or refuses to produce or maintain the insurance required by these provisions, or fails or refuses to furnish City required proof that insurance has been procured and is in force and paid for, City shall

have the right at City's election to forthwith terminate this Contract immediately without any financial or contractual obligation to the City. As a result of such termination, the City reserves the right to employ another consultant to complete the project.

E. Written notice. Contractor shall provide immediate written notice if (1) any insurance policy required by this Contract is terminated; (2) any policy limit is reduced; (3) or any deductible or self insured retention is increased.

#### **SECTION 10. NON-DISCRIMINATION.**

Consultant shall not discriminate, in any way, against any person on the basis of age, sex, race, color, creed, national origin, or disability in connection with or related to the performance of this Contract.

#### **SECTION 11. TERMINATION.**

A. City and Consultant shall have the right to terminate this Contract, without cause, by giving not less than ten (10) days written notice of termination.

B. If Consultant fails to perform any of its material obligations under this Contract, in addition to all other remedies provided by law, City may terminate this Contract immediately upon written notice.

C. The City Manager is empowered to terminate this Contract on behalf of City.

D. In the event of termination, Consultant shall deliver to City copies of all work papers, schedules, reports and other work performed by Consultant and upon receipt thereof, Consultant shall be paid in full for services performed and reimbursable expenses incurred to the date of termination.

#### **SECTION 12. COMPLIANCE WITH LAWS.**

Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local governments. Consultant shall obtain and maintain a City of Watsonville business license during the term of this Contract.

#### **SECTION 13. GOVERNING LAW.**

City and Consultant agree that the law governing this Contract shall be that of the State of California. Any suit brought by either party against the other arising out of the performance of this Contract shall be filed and maintained in the Municipal or Superior Court of the County of Santa Cruz.

#### **SECTION 14. PRIOR CONTRACTS AND AMENDMENTS.**

This Contract represents the entire understanding of the parties as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Contract may only be modified by a written amendment.

## **SECTION 15. CONFIDENTIAL INFORMATION.**

All data, documents, discussions, or other information developed or received by or for Consultant in performance of this Contract are confidential and not to be disclosed to any person except as authorized by the City Manager or his designee, or as required by law.

## **SECTION 16. OWNERSHIP OF MATERIALS.**

All reports, documents or other materials developed or received by Consultant or any other person engaged directly by Consultant to perform the services required hereunder shall be and remain the property of City without restriction or limitation upon their use.

## **SECTION 17. COVENANT AGAINST CONTINGENT FEES.**

The Consultant covenants that Consultant has not employed or retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure the Contract, and that Consultant has not paid or agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fees, commissions, percentage, brokerage fee, gift, or any other consideration contingent on or resulting from the award or making of this Contract, for breach or violation of this covenant, the City shall have the right to annul this Contract without liability, or in its discretion, to deduct from the contract price or consideration or otherwise recover, the full amount of such fee, commission, percentage fee, gift, or contingency.

## **SECTION 18. WAIVER.**

Consultant agrees that waiver by City or any one or more of the conditions of performance under this Contract shall not be construed as waiver of any other condition of performance under this Contract.

## **SECTION 19. CONFLICT OF INTEREST.**

A. A Consultant shall avoid all conflict of interest or appearance of conflict of interest in performance of this Contract. Consultant shall file a disclosure statement, if required by City Council Resolution, which shall be filed within thirty (30) days from the effective date of this Contract or such Resolution, as applicable.

B. No member, officer, or employee of the City, during their tenure, or for one (1) year thereafter, shall have any interest, direct or indirect, in this Contract or the proceeds thereof and Consultant agrees not to allow, permit, grant, transfer, or otherwise do anything which will result in such member, officer, or employee of the City from having such interest.

## **SECTION 20. AUDIT BOOKS AND RECORDS.**

Consultant shall make available to City, its authorized agents, officers and employees, for examination any and all ledgers and books of account, invoices, vouchers, canceled checks and other records or documents evidencing or related to the expenditures and disbursements charged to the City, and shall furnish to City, its authorized agents and employees, such other evidence or information as City may require with respect to any such expense or disbursement charged by Consultant.

**SECTION 21. NOTICES.**

All notices shall be personally served or mailed, postage prepaid, to the following addresses, or to such other address as may be designated by written notice by the parties:

**CITY**

City Clerk  
275 Main Street, Suite 400  
Watsonville, CA 95076  
(831) 768-3040

**CONSULTANT**

Olson Remcho, LLP.  
1901 Harrison Street, Suite 1550  
Oakland, CA 95814  
(510) 346-6219

**SECTION 22. EXHIBITS:**

Exhibit A: Scope of Services  
Exhibit B: Schedule of Performance  
Exhibit C: Compensation


**WITNESS THE EXECUTION HEREOF**, on the day and year first hereinabove written.

**CITY**

**CONSULTANT**

**CITY OF WATSONVILLE**

BY \_\_\_\_\_  
Matthew D. Huffaker, City Manager

BY \_\_\_\_\_  
Thomas A. Willis, Partner

ATTEST:

BY \_\_\_\_\_  
Beatriz Vázquez Flores, City Clerk

APPROVED AS TO FORM:

BY \_\_\_\_\_  
Alan J. Smith, City Attorney



## **EXHIBIT “A”**

### **SCOPE OF SERVICES**

Olson Remcho will provide legal services to assist the City Council and the Redistricting Committee in the development and passage of a redistricting plan for City Council districts. Legal services will include advice regarding compliance with federal, state, and local law governing redistricting, as well as advice regarding public hearings and comment on the proposed plan. In addition, Olson Remcho will contract with Wagaman Strategies to provide demographic services. Wagaman Strategies’ services will include creating City-specific database, providing all materials for public hearings and outreach, drafting draft maps, and attendance at up to four public meetings.

## **EXHIBIT “B”**

### **SCHEDULE OF PERFORMANCE**

Services shall commence immediately upon execution of this Contract. All services performed under the provisions of this Contract shall be completed in accordance with the schedule set forth in Olson Remcho’s Response to Requests for Proposals for Legal Services Regarding Redistricting unless the parties mutually agree to modifications of the schedule.

## EXHIBIT "C"

### COMPENSATION

a. Total Compensation. The total obligation of City under this Contract shall not exceed \$116,800.

b. Basis for Payment. Payment(s) to Consultant for services performed under this contract shall be made as follows and shall include payment for reimbursable expenses:

Olson Remcho will use the following hourly rates for attorney services:

|                   |       |
|-------------------|-------|
| Robin B. Johansen | \$425 |
| Thomas A. Willis  | \$425 |
| Kristen M. Rogers | \$385 |

In the event other attorneys are needed to provide services, they will be billed based upon the same rate schedule as above but at rates commensurate with their experience. In addition, Olson Remcho will bill for the customary out-of-pocket expenses for computer research, travel expenses, messenger services and the like. Olson Remcho typically bills those expenses at cost and does not charge a surcharge. Copies are charged at \$0.25/copy; faxes are charged at \$1.00/page; and mileage is charged at current IRS rates.

In addition, as a part of this contract (and included in the total compensation amount in subsection (a) above), Olson Remcho will retain the services of Wagaman Strategies to perform demographic services. Wagaman Strategies will bill a flat rate of \$35,000, which includes creating City-specific database, providing all materials for public hearings and outreach, drafting draft maps, and attendance at up to four public meetings. Additional services beyond those included in the flat-rate package are billed separately at specified rates.

c. Payment Request. Consultant shall submit a request for payment for services on a monthly basis by letter to Director, or said Director's designated representative. Such request for payment shall cover the preceding monthly period during the term hereof, shall note the City's purchase order number for this contract, shall contain a detailed listing of the total number of items or tasks or hours for which payment is requested, the individual dates on which such services were rendered, and invoices for reimbursable expenses, if any. Upon receipt in the Office of Director of said payment request, Director shall cause payment to be initiated to Consultant for appropriate compensation.



# Agenda Report

**MEETING DATE:** Tuesday, February 9, 2021

**TO:** City Council

**FROM:** Parks & Community Services Director Calubaquib  
Recreation Superintendent Negrete

**SUBJECT:** RESOLUTION APPROVING FIRST AMENDMENT TO THE  
AGREEMENT WITH COUNTY OF SANTA CRUZ FOR CHILDREN'S  
LEARNING AND ENRICHMENT CAMP SERVICES

---

## STATEMENT OF ISSUES:

An amendment increasing the amount and extending the term of the City's October 27, 2020 agreement with the County of Santa Cruz is needed to provide the City's Excel in Place program.

## RECOMMENDED ACTION:

It is recommended that the City Council adopt a Resolution Approving First Amendment to the Agreement with the County of Santa Cruz for Children's Learning and Enrichment Camp Services, extending term until June 30, 2021, and increasing compensation to City by \$133,578 for a cumulative total of not to exceed \$240,178.

## DISCUSSION:

On October 27, 2020, the Council approved an agreement with the County of Santa Cruz for the City to provide children's learning and enrichment camps. The Department has been collaborating with the County of Santa Cruz since the beginning of the 2020-2021 school year to provide a model that offers a learning and enrichment camp to the public, particularly essential workers, in a manner that follows state and local health orders and guidelines related to COVID-19.

Working with City's Public Work's Science Workshop, the Department has provided camp services at three sites (GHWR Youth Center, Rodriguez PAL Center, and Marinovich Park). The Department also staffs each location and establishes separate cohorts following State guidelines. The Department also collaborates with the PVUSD to offer two additional sites at Callaghan Park.

The County will continue to process and collect registrations and fees, as well as compensate the City for program expenses that exceed the currently adopted youth program budget.

This amendment includes the following changes to the existing agreement:

- Item 2. entitled TERM is amended to extend this agreement until June 30, 2021.
- Item 3A. in section entitled CITY OBLIGATIONS is amended to remove Watsonville Library site from City-managed locations.
- Item 4E. in section entitled COUNTY OBLIGATIONS is amended to increase compensation to City by \$133,578 for total compensation not to exceed \$240,178.

**STRATEGIC PLAN:**

This program in collaboration with the County of Santa Cruz supports the Strategic Plan Priority of Community Engagement & Well-Being in leveraging resources and strengthening community partnerships by providing youth activities and programs.

**FINANCIAL IMPACT:**

Expenses for the program are included in the adopted Fiscal Year budget (Parks and Community Services Youth Development Budget, Watsonville PAL, and Public Work's Science Workshop). Additionally, through this contract, the County will subsidize up to \$240,178 for the City's share of costs related to providing this learning and enrichment camp services.

- Revenue: 337-5890-12177 - \$133,578
- Expenses: *Personnel* - 337-7021-12177 - \$129,000  
*Operations* - 337-7533-12177 - \$4,578

**ALTERNATIVE ACTION:**

The Council could not approve this agreement and the program would not continue.

**ATTACHMENTS AND/OR REFERENCES (If any):**

None

**RESOLUTION NO. \_\_\_\_\_ (CM)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING FIRST AMENDMENT TO AGREEMENT BETWEEN THE CITY OF WATSONVILLE AND THE COUNTY OF SANTA CRUZ, FOR CHILDREN'S LEARNING AND ENRICHMENT CAMP SERVICES, EXTENDING TERM UNTIL JUNE 30, 2021, INCREASING COMPENSATION TO CITY BY \$133,578 FOR A CUMULATIVE TOTAL NOT TO EXCEED \$240,178; AND AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE SAME**

**Amends Resolution No. 189-20 (CM)**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:**

1. That the First Amendment to Agreement between the City of Watsonville and the County of Santa Cruz, for children's learning and enrichment camp services, extending agreement term until June 30, 2021, and increasing compensation to City by \$133,578, for a cumulative total not to exceed \$240,178, a copy of which Amendment is attached hereto and incorporated herein by this reference, is fair and equitable and is hereby ratified and approved.

2. That the City Manager be and is hereby authorized and directed to execute said Amendment for and on behalf of the City of Watsonville.

\*\*\*\*\*

## **AMENDMENT NO. 1 TO AGREEMENT NO. 21C4465**

This Amendment No. 1 (“**Amendment**”) shall serve to modify the existing Agreement No. 21C4465 (“**Agreement**”) between the County of Santa Cruz (“**County**”) and City of Watsonville (“**City**”). County and City may sometimes be referred to in this Amendment collectively as “**Parties**” or individually as “**Party**.”

### **I. Background.**

- a. The Parties entered into the Agreement effective August 15, 2020.
- b. The Agreement has not been previously amended.
- c. The County identified additional funding from the CalWORKs Program that will enable the Parties to continue the distance learning program that was the subject of the Agreement through June 2021 without interrupting the distance learning and childcare programming provided to families in Santa Cruz County under the Agreement; without terminating existing partnerships; and without reducing the number of sites used for the distance learning program.
- d. The Memorandum of Understanding between County Santa Cruz Human Services Department and County Santa Cruz Parks, Open Space and Cultural Services Department that sets forth the terms and condition for CalWORKs Learning Hubs was fully executed on January 6, 2021, which delayed executing this Amendment.

### **II. Effective Date of Amendment.**

- a. This Amendment shall be retroactively effective on January 1, 2021 (“**Effective Date**”) to allow for continuous operation of the distance learning program.

### **III. Changes to Agreement.**

- a. By executing this Amendment, the Parties agree that the Agreement shall be changed in the following manner.

1. The existing **Section 2. “TERM”** the date “**December 31, 2020**” is replaced with “**June 30, 2021.**”
2. The existing **Section 3. “CITY OBLIGATIONS”, subsection “A.iv.”** is replaced with “**Watsonville Library until December 2020**”.
3. The existing **Section 4. “COUNTY OBLIGATIONS”, subsection “E”** is deleted in its entirety and replaced with the following:

“E. Compensate City for performing and providing the City Obligations as follows:

- (i) Up to \$240,178 for City’s share of costs related to providing L&E Program Costs.



(ii) The Parties mutually agree that the County will reimburse the City for its L&E Program costs, but in no event shall the City be due any monies exceeding \$240,178.

(iii) Amounts payable to the City after January 1, 2021, shall be paid in arrears in three (3) installments. City shall submit Payment Requests on the following schedule:

January 2021 – February 2021                      by March 1, 2021

March 2021 – April 2021                              by May 1, 2021

May 2021 – June 2022                                by June 20, 2021

(iv) The funds received from County shall at all times be used solely and exclusively for Program expenses, as determined by the City, and for no other purpose.”

b. All other existing provisions of the Agreement not specifically addressed by this Amendment shall remain unchanged and in full force and effect. In the event of a conflict between the language of this Amendment and the Agreement or any previous amendment of the Agreement, the language of this Amendment shall control.

**In Witness Whereof**, the Parties have executed this Agreement by their duly authorized officers or representatives.

**CITY OF WATSONVILLE (“CITY”)**

MATT HUFFAKER, City Manager

**COUNTY OF SANTA CRUZ (“COUNTY”)**

JEFF GAFFNEY, Director of Parks

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

APPROVED AS TO FORM:

\_\_\_\_\_  
Office of County Counsel

\_\_\_\_\_  
Date

APPROVED AS TO INSURANCE:

\_\_\_\_\_  
Risk Management

\_\_\_\_\_  
Date



# Agenda Report

**MEETING DATE:** Tuesday, February 9, 2021

**TO:** City Council

**FROM:** City Clerk Vázquez Flores

**SUBJECT: COUNCIL POLICY FOR OUTDOOR DISPLAY OF COMMEMORATIVE FLAGS**

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## **STATEMENT OF ISSUES:**

At the January 19, 2021, Council Meeting, Mayor Pro Tempore Parker requested staff to develop a policy for the outdoor display of commemorative flags at Civic Plaza.

## **RECOMMENDED ACTION:**

Resolution establishing a Council Policy for the Outdoor Display of Commemorative Flags at the Watsonville Civic Plaza Flag

## **DISCUSSION:**

The City flies the U.S., California, and City flags at the Civic Plaza in front of the Library entrance, but the City does not have a flag policy. The City does comply with [Chapter 1-The Flag of Title 4](#) of the United States Code and [Executive Order 10834 of August 21, 1959](#) to display the U.S. Flag and treats the California State Flag similarly.

Over the years, the City Council has approved commemorative flags on a case-by-case basis. On May 19, 1990, the Council authorized display of the Prisoner of War (POW)/Missing in Action (MIA) flag at the City Plaza below the State of California flag. On February 23, 2010, the Council authorized the creation of a City flag and its display at the Civic Plaza.

Most recently, on January 19, 2021, the Council approved the display of the Pride Flag. At that time, some Council members expressed concern for the lack of a formal policy for the approval and display of commemorative flags.

Staff researched policies from other cities; all require that the Council approve each commemorative flag, which is consistent with the City Council's past practice.

This policy will establish a formal process for approving and allowing commemorative flags to be displayed only at the Watsonville Civic Plaza (275 Main Street) poles. The commemorative flag would be displayed below the City flag; both flags would be the same size (4' x 6'). The commemorative flag would be displayed not more than thirty-one (31) days. If Council

approves more than two flags for one month, then each flag would be displayed not more than fifteen (15) days each.

**STRATEGIC PLAN:**

This action is consistent with the City's Strategic Plan priority 05-Community Engagement & Well-Being.

**FINANCIAL IMPACT:**

This policy provides that flags may be purchased at City expense, not to exceed \$100 each. The maximum amount would be \$2,400 annually if Council authorized two (2) flags each month. The funds would come from the Council's budget for office equipment and supplies.

**ALTERNATIVE ACTION:**

The Council could change the policy. The Council could also table the item or continue the item and request that an ad hoc Committee be formed to revise this policy.

**ATTACHMENTS AND/OR REFERENCES (If any):**

None.

**RESOLUTION NO. \_\_\_\_\_ (CM)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
WATSONVILLE ESTABLISHING A COUNCIL POLICY FOR THE  
OUTDOOR DISPLAY OF COMMEMORATIVE FLAGS AT THE  
WATSONVILLE CIVIC PLAZA**

**WHEREAS**, the City of Watsonville displays the United States Flag, the California State Flag and the City of Watsonville Flag at the Watsonville Civic Plaza; and

**WHEREAS**, the City complies with Chapter 1 (the Flag) of Title 4 of the United States Code and Executive Order 10834 of August 21, 1959, to display the U.S. Flag and treats the California State Flag similarly; and

**WHEREAS**, the City of Watsonville does not have a policy regarding the display of commemorative flags; and

**WHEREAS**, at its January 19, 2021, meeting, Mayor Pro Tempore Parker requested that City staff bring a flag display policy for Council consideration; and

**WHEREAS**, the Council desires to establish a policy that provides guidance and standards for the outdoor display of commemorative flags other than the United States, California, and City flags.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY  
OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:**

That the Council hereby establishes a Council Policy for the Outdoor Display of Commemorative Flags at the Watsonville Civic Plaza, a copy of which Policy is attached hereto and incorporated herein by this reference.

\*\*\*\*\*

## **COUNCIL POLICY FOR THE OUTDOOR DISPLAY OF COMMEMORATIVE FLAGS AT THE WATSONVILLE CIVIC PLAZA**

### **PURPOSE:**

This Policy shall guide the outdoor display of commemorative flags at the entrance of the Watsonville Civic Plaza at 275 Main Street, on the Corner of Main and Second Streets (Civic Plaza Flagpoles).

In adopting this policy, the City Council declares that the City of Watsonville's flagpoles are not intended to serve as a forum free expression of the public, but rather for the display of Federal, State, and City flags, and any commemorative flags as may be authorized by the City Council as an expression of the City Council's official sentiments.

### **GUIDANCE:**

#### **Commemorative Flags**

1. For purposes of this Policy, the term "commemorative flag" shall mean any flag that identifies with a specific date, historical event, cause, nation or group of people, whereby the City honors or commemorates the date, event, cause, nation or people by displaying the flag.
2. The Civic Plaza Flagpoles are not a forum for free expression for or by the public.
3. Unless previously approved by Council, Commemorative flags shall not be displayed on flag poles inside or outside City facilities except the one Civic Plaza Flag pole on which the City flag is flown. Commemorative flags shall be displayed below the City of Watsonville flag.
4. The City shall display commemorative flags only if authorized by the Council.
5. The Council shall only consider a request for authorization to display a commemorative flag if made by a member of the Watsonville City Council.
  - a. Such authorization shall be only by resolution at a regular or special meeting of the Council and approved by the affirmative vote of at least four members of the Council.
  - b. All requests shall be submitted at least forty-five (45) days prior to the requested date to allow time to add to the City Council agenda. Council will not consider more than one request per calendar from the same group or person. A picture of the official flag shall be submitted by the group or person submitting the request to a Council Member.
  - c. Both the City and commemorative flags shall be the same size and not to exceed 4' x 6' when displayed at the same time.
  - d. The City will bear the cost, not to exceed \$100 of any commemorative flag authorized by Council resolution.
6. Commemorative flags shall be authorized for display for a period of time that is reasonable or customary for the ceremony or the subject to be commemorated,

but no longer than thirty-one (31) continuous days. If the Council authorizes more than two (2) flags for one month, then each flag shall be displayed no more than fifteen (15) days each.

7. Authorization for display is an expression of the official sentiments of the Council, consistent with the City's values and should incorporate themes of diversity, equity, social justice, and inclusion.
8. Commemorative flags will be flown in accordance with all applicable provisions of federal and state laws.



# Agenda Report

**MEETING DATE:** Tuesday, February 9, 2021

**TO:** CITY COUNCIL

**FROM:** CITY CLERK VÁZQUEZ FLORES

**SUBJECT:** BLACK LIVES MATTER FLAG

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## **STATEMENT OF ISSUES:**

Council Member Gonzalez received a request from a public member requesting that the Black Lives Matter flag be displayed for the month of February to commemorate Black History Month.

## **RECOMMENDED ACTION:**

Resolution Authorizing the Display of the Black Lives Matter Flag at the Civic Plaza during the Month of February in Commemoration of Black History Month, in Accordance with the Council Policy for Outdoor Display of Commemorative Flags

## **DISCUSSION:**

The City flies the U.S., California, and City flags in in the City Plaza in front of the Library entrance, but the City does not have a flag policy. The City does comply with Chapter 1-The Flag of Title 4 of the United States Code to display the U.S. and California flags. The Council will be considering a Council policy for outdoor display of commemorative flags at its February 9, 2021, meeting.

On May 19, 1990, the City Council authorized the display of the Prisoner of War (POW)/Missing in Action (MIA) flag at the City Plaza below the State of California flag. On February 23, 2010, the Council authorized the creation of a City flag and its display at the Civic Plaza.

Most recently, on January 19, 2021, the Council approved the display of the Pride flag, and at that meeting Mayor Pro Tempore Parker directed staff to develop a policy for commemorative flags, which is also on tonight's agenda for the Council's consideration and approval.

On January 20, 2021, Council Member González received a request from a member of the public asking the City to display the Black Lives Matter flag in February to commemorate Black History Month (also known as African American History Month).

Black History Month pays tribute to the generations of African Americans who struggled with adversity to achieve full citizenship in American society.



Black Lives Matter was founded by Patrisse Cullors, Alicia Garza and Opal Tometi in 2013 in response to the acquittal of George Zimmerman for the murder of Trayvon Martin. Their efforts grew into a global movement to fight against injustice for people of color.

The Black Lives Matter movement, like the Black and African American civil rights movements before it, has effectively articulated the injustices that exist at the intersections of race, class, and gender.

In 2017, Australia's Sydney University awarded the Sydney Peace Prize to its founders. The international prestigious award that honors peacemakers around the world for promoting human rights, nonviolence, and "peace with justice."

Petter Eide, Norwegian lawmaker, nominated the Black Lives Matter movement for the 2021 Nobel peace prize for the way it called for systemic change spread around the world. Mr. Eide stated, "I believe that Black Lives Matter is the largest and strongest social movement in the world today, fighting racial injustice." Eide, 61, told CBS News.

The recent Black Lives Matter protests peaked on June 6, 2020, when half a million people turned out in nearly 550 places across the United States, was one of the largest movements in the United States' history.

The City Council acknowledges that throughout the United States' history, institutional and structural racism has caused division and fear for communities, and that the Council shares in the responsibility to respond to such circumstances in our community.

The official flag is black, charged with the official logo of the movement: words BLACK LIVES MATTER in white, inscribed in three rows, and three yellow horizontal lines below (as illustrated below). The size and placement of the flag will be consistent with the requirements set forth in the City's new Commemorative Flag Policy.



#### **STRATEGIC PLAN:**

This action is consistent with the City's Strategic Plan priorities of 05-Community Engagement & Well-Being.

#### **FINANCIAL IMPACT:**

The cost of the flags would be less than \$100 and would be funded from the City Council's Office Equipment account.

#### **ALTERNATIVE ACTION:**

The Council could consider not displaying the Black Lives Matter flag this year.

#### **ATTACHMENTS AND/OR REFERENCES:** None

RESOLUTION NO. \_\_\_\_\_ (CM)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE AUTHORIZING THE DISPLAY OF THE BLACK LIVES MATTER FLAG AT THE WATSONVILLE CIVIC PLAZA DURING THE MONTH OF FEBRUARY IN COMMEMORATION OF BLACK HISTORY MONTH, IN ACCORDANCE WITH THE COUNCIL POLICY FOR OUTDOOR DISPLAY OF COMMEMORATIVE FLAGS**

**WHEREAS**, Black History Month pays tribute to the generations of African Americans who struggled with adversity to achieve full citizenship in American society; and

**WHEREAS**, Black Lives Matter was founded by Patrisse Cullors, Alicia Garza and Opal Tometi in 2013 in response to the acquittal of George Zimmerman for the murder of Trayvon Martin. Their efforts grew into a global movement to fight against injustice for people of color; and

**WHEREAS**, the Black Lives Matter movement, like the Black and African American civil rights movements before it, has effectively articulated the injustices that exist at the intersections of race, class, and gender; including mass incarceration, police brutality, poverty, housing, income disparity, homophobia, gender inequality, healthcare access and outcomes, and educational outcomes; and

**WHEREAS**, in 2017, Australia's Sydney University awarded the Sydney Peace Prize to its founders. The international prestigious award that honors peacemakers around the world for promoting human rights, nonviolence, and "peace with justice"; and

**WHEREAS**; the flag is black, charged with the official logo of the movement: words BLACK LIVES MATTER in white, inscribed in three rows, and three yellow horizontal lines below; and

**WHEREAS**, the display of the Black Lives Matter during the month of February, the City Council acknowledges that throughout the United States' history, institutional and structural racism has caused division and fear for communities, and that the Council shares in the responsibility to respond to such circumstances in our community.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:**

That the Council hereby authorizes the display of the official Black Lives Matter flag at the Watsonville Civic Plaza, during the month of February, in accordance with the Council Policy for Outdoor Display of Commemorative Flags.

\*\*\*\*\*



## Agenda Report

**MEETING DATE:** Tuesday, February 9, 2021

**TO:** City Council

**FROM:** CITY ATTORNEY SMITH

**SUBJECT: CITY ATTORNEY AUTHORIZATION TO RESPOND TO LAWSUITS IF  
NO TIMELY COUNCIL MEETING**

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### **STATEMENT OF ISSUES:**

Authorize City Attorney to file responses to lawsuits if necessary after consulting with City Manager.

### **RECOMMENDED ACTION:**

Resolution adopting a policy for responding to lawsuits within legal deadlines

Authorization to respond to lawsuits consistent with Council policies and practices after consultation with the City Manager and, if appropriate, the City's Risk Manager as long as the Council retains its prerogative to direct the management of any lawsuit against the City and the City Attorney reports to the Council on such action at the next regular meeting of the Council.

### **DISCUSSION:**

Section 804 of the City Charter provides that the City Attorney has the power and is required to:

*(a) Represent and advise the Council and all City officers in all matters of law pertaining to their offices;*

*(b) Represent and appear for the City in any or all actions and proceedings in which the City is concerned or is a party, and represent and appear for any City officer or employee or former City officer or employee in any or all actions and proceedings in which any such City officer or employee is concerned or is a party, for any action arising out of his employment or by reason of his official capacity;*

*(g) Perform such other legal duties consistent with this Charter as may be required of him by the Council; and*

*The Council shall have control of all legal business and proceedings and may employ other attorneys to take charge of any litigation or matter or to assist the City Attorney therein.*

State and federal law generally require responses to lawsuits be filed with the court within 20 to 30 days (depending on which jurisdiction) after being delivered to the City Clerk's Office. Depending on when in the cycle of publicly noticed regular Council meetings the complaint is received by the City Clerk, the Council may not have a regular meeting in time for retention of counsel, obtaining legal advice and filing an appropriate court response. It is sometimes not possible to get agreement from opposing attorneys to wait for a Council meeting to obtain approval to respond to a lawsuit.

The City Attorney therefore proposes at the request of the City Manager that the City Attorney be authorized to respond to lawsuits consistent with Council policies and practices after consultation with the City Manager and, if appropriate, the City's Risk Manager as long as the Council retains its prerogative to direct the management of any lawsuit against the City and the City Attorney reports to the Council on such action at the next regular meeting of the Council.

**FINANCIAL IMPACT:**

No financial impact is expected.

**ALTERNATIVE ACTION:**

The Council could decline to so authorize, impose additional or different conditions or restrictions.

**ATTACHMENTS AND/OR REFERENCES (If any):**

None.

**RESOLUTION NO. \_\_\_\_\_ (CM)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
WATSONVILLE ADOPTING A POLICY FOR RESPONDING TO  
LAWSUITS**

**WHEREAS**, Section 804 of the City Charter provides that the City Attorney has the power and is required to:

(a) *Represent and advise the Council and all City officers in all matters of law pertaining to their offices;*

(b) *Represent and appear for the City in any or all actions and proceedings in which the City is concerned or is a party, and represent and appear for any City officer or employee or former City officer or employee in any or all actions and proceedings in which any such City officer or employee is concerned or is a party, for any action arising out of his employment or by reason of his official capacity;*

(g) *Perform such other legal duties consistent with this Charter as may be required of him by the Council; and*

*The Council shall have control of all legal business and proceedings and may employ other attorneys to take charge of any litigation or matter or to assist the City Attorney therein; and*

**WHEREAS**, State and federal law generally require responses to lawsuits be filed with the court within 20 to 30 days, depending on which jurisdiction, after being delivered to the City Clerk's Office; and

**WHEREAS**, depending on when in the cycle of publicly noticed regular Council meetings the complaint is received by the City Clerk, the City Clerk may

not have a regular meeting in time for retention of counsel, obtaining legal advice and filing an appropriate court response; and

**WHEREAS,** the City Attorney has advised the Council that it is sometimes not possible to get permission to wait for a Council meeting to obtain approval to respond to the lawsuit; and

**WHEREAS,** the City Council will retain its prerogative to direct the management of any lawsuit against the City.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:**

The City Council authorizes the City Attorney to make a preliminary decision and file all necessary papers to respond to lawsuits against the City of Watsonville under the following circumstances:

- a) The City Attorney has reviewed the legal issues presented by the case and has determined what would protect or advance the City's legal interests; and
- b) The City Attorney has consulted with the City Manager and if appropriate the City's Risk Manager in order to fairly represent the City's interests and comply with the Council's policies and past practices.

\*\*\*\*\*

**RESOLUTION NO. \_\_\_\_\_ (CM)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
WATSONVILLE APPOINTING DON BROWN TO THE CITY OF  
WATSONVILLE BOARD OF LIBRARY TRUSTEES**

**[DISTRICT 3]**

**WHEREAS**, Section 910 of the City Charter established a seven member Board of Library Trustees with specific powers and duties; and

**WHEREAS**, Section 902 of the City Charter authorizes each member of the Council to appoint one member to each City board or commission subject to approval by resolution of the Council adopted by at least four (4) affirmative votes.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:**

1. That Council Member Hurst hereby nominates Don Brown for appointment to the Board of Library Trustees (expires November 2022), representing District 3.
2. That the Council hereby approves such appointment.
3. That the City Clerk is hereby directed to transmit a copy of this resolution to the newly appointed member and to the Secretary of the Board of Library Trustees.

\*\*\*\*\*





Beatriz Flores &lt;beatriz.flores@cityofwatsonville.org&gt;

**Online Form Submittal: Application for Appointment to a City Board or Commission**

1 message

noreply@civicplus.com <noreply@civicplus.com>  
To: cityclerk@cityofwatsonville.org

Tue, Jan 19, 2021 at 8:27 AM

**Application for Appointment to a City Board or Commission**

*You must be a registered voter in the City of Watsonville to qualify for an appointment.*

**INSTRUCTIONS**

*If you are interested in serving on a City board or commission, complete the following application.*

*Upon receipt, your application for appointment will be routed to the Council Members where a vacancy exists. If a Council Member is interested in nominating you for appointment, the City Clerk's Office or the Council Member will contact you.*

|                  |                           |
|------------------|---------------------------|
| Commission/Board | Board of Library Trustees |
|------------------|---------------------------|

|      |           |
|------|-----------|
| NAME | Don Brown |
|------|-----------|

|         |  |
|---------|--|
| ADDRESS |  |
|---------|--|

|                  |  |
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| TELEPHONE NUMBER |  |
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| EMAIL ADDRESS |  |
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|                             |          |
|-----------------------------|----------|
| LENGTH OF RESIDENCE IN AREA | 30 years |
|-----------------------------|----------|

**PREVIOUS COMMISSION OR BOARD EXPERIENCE**

|                            |                      |
|----------------------------|----------------------|
| COMMISSION OR BOARD SERVED | Field not completed. |
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| TERM | Field not completed. |
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| COMMISSION OR BOARD SERVED | Field not completed. |
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| TERM | Field not completed. |
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| COMMISSION OR BOARD SERVED | Field not completed. |
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| TERM | Field not completed. |
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| EDUCATION |  |
|-----------|--|

|             |                             |
|-------------|-----------------------------|
| INSTITUTION | Hamline University          |
| MAJOR       | Biology/env Studies         |
| DEGREE      | B.A.                        |
| YEAR        | 1981                        |
| INSTITUTION | UCSC                        |
| MAJOR       | Life Science                |
| DEGREE      | Teaching Credential         |
| YEAR        | 1985                        |
| INSTITUTION | <i>Field not completed.</i> |
| MAJOR       | <i>Field not completed.</i> |
| DEGREE      | <i>Field not completed.</i> |
| YEAR        | <i>Field not completed.</i> |

#### WORK/VOLUNTEER EXPERIENCE:

|              |   |
|--------------|---|
| ORGANIZATION | Pajaro Valley Unified School District                                     |
| ADDRESS      | <i>Field not completed.</i>   |
| POSITION     | Science Educator  |
| YEAR         | 1985-2020   |
| ORGANIZATION | Pajaro Valley Federation of Teacchers                                     |
| ADDRESS      | <i>Field not completed.</i>   |
| POSITION     | Building rep 20 years, Executive Board member 20 years, Treasurer 4 years |
| YEAR         | 1995-2018   |
| ORGANIZATION | Monterey Bay Aquarium   |
| ADDRESS      | 6126 Chateau Ct   |
| POSITION     | volunteer   |
| YEAR         | 2007-2020   |

#### STATEMENT OF QUALIFICATION:

*Please attach a brief statement indicating why you are interested in serving on the advisory body in question.*

Statement of  
Qualifications/Resume

[Statement of Qualifications \(1\).pdf](#)

#### ACKNOWLEDGEMENT:

*By submitting this application, you understand that this application is a public document and its contents will be disclosed upon request, and any*

*misrepresentation or deliberate omission of a material fact in this application may be justification for refusal or termination of appointment. The Political Reform Act of 1974 requires all government agencies to adopt a Conflict of Interest Code that designates the positions within an agency which make or participate in making governmental decisions and may foreseeably have a material effect on any financial interest. Members of City boards and commissions, by virtue of their positions, make or participate in making decisions which may affect their financial interests and who therefore must disclose these interests on the Fair Political Practices Commission Form 700 – Statement of Economic Interests of Designated Employees. The Form 700 is a public document and its contents will be disclosed upon request. This form is to be filed upon appointment and every year thereafter with the Office of the City Clerk on April 1.*

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**CERTIFICATION:**

*I acknowledge I have read the above information and certify that the information provided by me is true and correct, and I authorize the verification of the information in the application in the event I am a finalist for the appointment.*

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Email not displaying correctly? [View it in your browser.](#)

**Statement of Qualifications Library Commission**

**To Whom it may concern,**

**Hello, I am interested in being placed on the Library Commission for Watsonville City. I have taught in Watsonville since 1985, E.A. Hall (23 years) Watsonville High (10 years,) and Pajaro Valley High (2 years,) and have been a homeowner in Watsonville since 1990. I have also served in a number of positions with the Pajaro Valley Federation of Teachers since 1995.**

**I have made great use of Watsonville Library. I am very fond of the new structure and would like to work to see it continue to be a promontory feature of our city. I would like to serve on this Board. I think I would be a good choice for this position due to the experiences and work I have done in PVUSD and Monterey Bay Aquarium, especially all the field trips I took my students on to the library from WHS.**

**Sincerely,  
Don Brown**

**RESOLUTION NO. \_\_\_\_\_ (CM)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
WATSONVILLE APPOINTING KRISTAL SALCIDO TO THE CITY OF  
WATSONVILLE PERSONNEL COMMISSION**

**[DISTRICT 3]**

**WHEREAS**, Section 908 of the City Charter established a seven member Personnel Commission with specific powers and duties; and

**WHEREAS**, Section 902 of the City Charter authorizes each member of the Council to appoint one member to each City board or commission subject to approval by resolution of the Council adopted by at least four (4) affirmative votes.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY  
OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:**

1. That Council Member Hurst hereby nominates Kristal Salcido for appointment to the Personnel Commission (expires November 2022), representing District 3.
2. That the Council hereby approves such appointment.
3. That the City Clerk is hereby directed to transmit a copy of this resolution to the newly appointed member and to the Secretary of the Personnel Commission.

\*\*\*\*\*



Beatriz Flores &lt;beatriz.flores@cityofwatsonville.org&gt;

**Online Form Submittal: Application for Appointment to a City Board or Commission**

1 message

noreply@civicplus.com <noreply@civicplus.com>  
To: cityclerk@cityofwatsonville.org

Fri, Jan 29, 2021 at 1:29 PM

**Application for Appointment to a City Board or Commission**

*You must be a registered voter in the City of Watsonville to qualify for an appointment.*

**INSTRUCTIONS**

*If you are interested in serving on a City board or commission, complete the following application.*

*Upon receipt, your application for appointment will be routed to the Council Members where a vacancy exists. If a Council Member is interested in nominating you for appointment, the City Clerk's Office or the Council Member will contact you.*

|                  |                      |
|------------------|----------------------|
| Commission/Board | Personnel Commission |
|------------------|----------------------|

|      |                 |
|------|-----------------|
| NAME | Kristal Salcido |
|------|-----------------|

|         |  |
|---------|--|
| ADDRESS |  |
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|                  |  |
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| TELEPHONE NUMBER |  |
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| EMAIL ADDRESS |  |
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| LENGTH OF RESIDENCE IN AREA | 6 years |
|-----------------------------|---------|

**PREVIOUS COMMISSION OR BOARD EXPERIENCE**

|                            |  |
|----------------------------|--|
| COMMISSION OR BOARD SERVED | Ad Hoc Committee on Social Equity & Policing |
|----------------------------|--|

|      |         |
|------|---------|
| TERM | Current |
|------|---------|

|                            |                      |
|----------------------------|----------------------|
| COMMISSION OR BOARD SERVED | Field not completed. |
|----------------------------|----------------------|

|      |                      |
|------|----------------------|
| TERM | Field not completed. |
|------|----------------------|

|                            |                      |
|----------------------------|----------------------|
| COMMISSION OR BOARD SERVED | Field not completed. |
|----------------------------|----------------------|

|      |                      |
|------|----------------------|
| TERM | Field not completed. |
|------|----------------------|

|           |  |
|-----------|--|
| EDUCATION |  |
|-----------|--|

|             |                             |
|-------------|-----------------------------|
| INSTITUTION | UCSB                        |
| MAJOR       | Psychology/French           |
| DEGREE      | B.A.                        |
| YEAR        | 2007                        |
| INSTITUTION | USD School of Law           |
| MAJOR       | Juris                       |
| DEGREE      | J.D                         |
| YEAR        | 2010                        |
| INSTITUTION | <i>Field not completed.</i> |
| MAJOR       | <i>Field not completed.</i> |
| DEGREE      | <i>Field not completed.</i> |
| YEAR        | <i>Field not completed.</i> |

**WORK/VOLUNTEER EXPERIENCE:**

|              |                             |
|--------------|-----------------------------|
| ORGANIZATION | <i>Field not completed.</i> |
| ADDRESS      | <i>Field not completed.</i> |
| POSITION     | <i>Field not completed.</i> |
| YEAR         | <i>Field not completed.</i> |
| ORGANIZATION | <i>Field not completed.</i> |
| ADDRESS      | <i>Field not completed.</i> |
| POSITION     | <i>Field not completed.</i> |
| YEAR         | <i>Field not completed.</i> |
| ORGANIZATION | <i>Field not completed.</i> |
| ADDRESS      | <i>Field not completed.</i> |
| POSITION     | <i>Field not completed.</i> |
| YEAR         | <i>Field not completed.</i> |

**STATEMENT OF QUALIFICATION:**

*Please attach a brief statement indicating why you are interested in serving on the advisory body in question.*

|                                       |  |
|---------------------------------------|--|
| Statement of<br>Qualifications/Resume | <a href="#">Personnel Commission .docx</a> |
|---------------------------------------|--|

**ACKNOWLEDGEMENT:**

*By submitting this application, you understand that this application is a public document and its contents will be disclosed upon request, and any misrepresentation or deliberate omission of a material fact in this application may be*

*justification for refusal or termination of appointment The Political Reform Act of 1974 requires all government agencies to adopt a Conflict of Interest Code that designates the positions within an agency which make or participate in making governmental decisions and may foreseeably have a material effect on any financial interest Members of City boards and commissions, by virtue of their positions, make or participate in making decisions which may affect their financial interests and who therefore must disclose these interests on the Fair Political Practices Commission Form 700 – Statement of Economic Interests of Designated Employees The Form 700 is a public document and its contents will be disclosed upon request. This form is to be filed upon appointment and every year thereafter with the Office of the City Clerk on April 1*

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**CERTIFICATION:**

*I acknowledge I have read the above information and certify that the information provided by me is true and correct, and I authorize the verification of the information in the application in the event I am a finalist for the appointment.*

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To Whom it May Concern:

I am interested in serving on the Personnel Commission for the city of Watsonville. As an attorney I understand the important nature of this commission for the review of possible disciplinary proceedings against a city employee, including demotion and possible terminations. I believe I have the skill set required to apply the committee guidelines to personnel issues and impartially make personnel decisions.

Thank you,

Kristal Salcido



# Agenda Report

**MEETING DATE:** Tuesday, February 9, 2021

**TO:** City Council

**FROM:** ADMINISTRATIVE SERVICES DIRECTOR CZERWIN

**SUBJECT:** MID-YEAR FY 2020-21 FINANCIAL REPORT AND RELATED ACTIONS

---

## **STATEMENT OF ISSUES:**

Receive audited financial reports for Fiscal Year 2019-2020 and a mid-year financial report for FY 2020-21.

## **RECOMMENDED ACTION:**

That the City Council:

- I. Accept by motion, the Comprehensive Financial Report for FY 2019-20, and
- II. Accept by motion, the mid-year financial report for the 2020-21 Fiscal Year:
- III. Accept by motion, the Annual Measure G Audit Report for FY 2019-20, and
- IV. Approve a resolution appropriating \$414,665 into various funds as described in Attachment 1.

## **DISCUSSION:**

### ***I. Review of Fiscal Year 2019-20***

The City's Charter and State of California law require that all general-purpose local governments publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (US GAAP). This report is commonly referred to as a comprehensive annual financial report and also by the acronym "CAFR". Upon completion of the City's CAFR, the City prepared and submitted it to the Government of Finance Officers Association (GFOA) for consideration in receiving the "Certificate of Achievement for Excellence in Financial Reporting."

The CAFR was audited by Maze and Associates, an independent firm of certified public accountants (CPA), who issued an unqualified opinion of its audit of the City's CAFR. Some of the highlights presented in the audited statements include (all figures are in thousands unless otherwise indicated):

- The assets of the City of Watsonville exceeded its liabilities at the close of the most recent fiscal year by \$242,116. See Table 1 below.
- The City's total net position increased by \$1,723. Governmental activities net position decreased by \$2,864 most of this decrease was due to an increase in long term liabilities notably pension liability. Business type activities net position increased by \$4,586. Most of this increase was from the Water Utility ending with positive operating income.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$38,820 an increase of \$5,432 in comparison with the prior fiscal year's balances. The non-spendable portion of the fund balance was \$114, the restricted portion was \$20,610 and the unassigned amount was \$18,096. A large portion of the unassigned fund balance was created by increases in taxes by the general fund during fiscal year 2019-20 and budgetary expenditure savings, and collection of receivables from grants.

### **General Fund Balance**

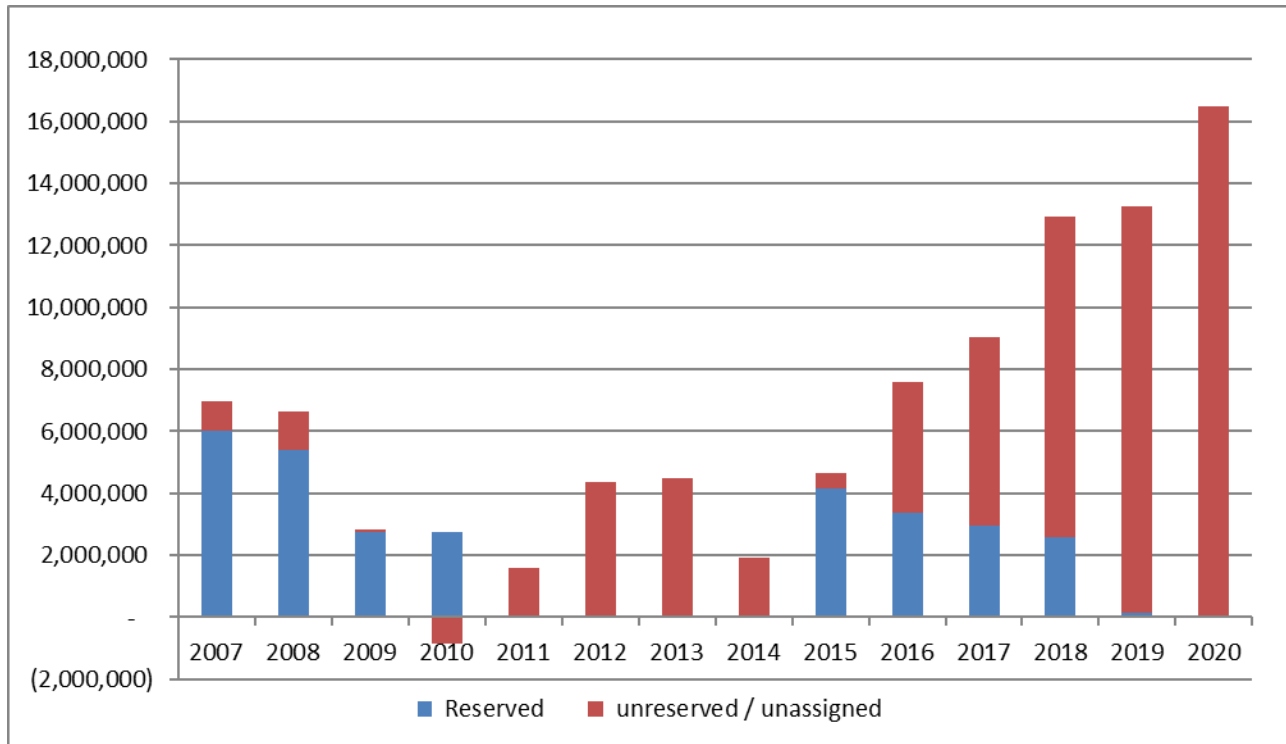
In Fiscal Year 2019-20 the General Fund ended with a Fund Balance of \$16,592, a \$3,325 increase from FY 2018-19. The General Fund as reported in the CAFR includes eighteen subaccounts that are operationally distinct, one of which serves as the chief operating fund for the City, also referred to as the 0150 General Fund. The balance in the General Fund grew, as had been presented to Council in prior FY 2019-20 budget updates, due to property tax growth, sales tax performing better than expected, and a late year freeze and reduction of expenditures due to the COVID-19 pandemic.

Other subaccounts that increased their balances this year included grants, cannabis, Civic Center Plaza, and computer replacement accounts. The grants subaccount in particular increased its balance by over \$1 million as a result of the Finance Department working with other City departments to aggressively pursue pending grant reimbursements and improve our process for booking these receivables. The General Fund's fund balance now is approximately 35% of annual operating expenses, exceeding the Council's approved policy goal of 20%. The 20% policy goal was established in 2018 at a time when the available balance was closer to 10%, well below the GFOA minimum recommended of 20%. Now that the General Fund's fund balance has achieved and exceeded the 20% minimum for more than two years, staff will be looking for ways to review possible updates to our reserve policy to ensure the reserve levels are aligned with our needs as a city and address our unfunded of capital and CalPERS liabilities. (See Table 2 below)

**Table 1:**  
City of Watsonville's Net Position  
June 30, 2020 (in thousands)

|   | <b>Governmental<br/>Activities</b> |             | <b>Business-type<br/>Activities</b> |             | <b>Total</b> |             |
|---|------------------------------------|-------------|-------------------------------------|-------------|--------------|-------------|
|   | <b>2020</b>                        | <b>2019</b> | <b>2020</b>                         | <b>2019</b> | <b>2020</b>  | <b>2019</b> |
|   | \$                                 | \$          | \$                                  | \$          | \$           | \$          |
| Revenues:                                 |                                    |             |                                     |             |              |             |
| Program Revenues:                         |                                    |             |                                     |             |              |             |
| Charges for services                      | 11,936                             | 16,222      | 53,011                              | 49,935      | 64,947       | 66,157      |
| Operating grants and contributions        | 5,988                              | 2,501       | 787                                 | 2,016       | 6,775        | 4,517       |
| Capital grants and contributions          | -                                  | -           | 163                                 | 94          | 163          | 94          |
| General Revenues                          |                                    |             |                                     |             |              |             |
| Property taxes                            | 16,243                             | 15,669      | -                                   | -           | 16,243       | 15,669      |
| Other taxes                               | 26,704                             | 26,965      | -                                   | -           | 26,704       | 26,965      |
| Others                                    | 4,555                              | 4,050       | 811                                 | 1,014       | 5,366        | 5,064       |
| Total Revenues and Transfers              | 65,427                             | 65,407      | 54,772                              | 53,059      | 120,199      | 118,466     |
| Expenses:                                 |                                    |             |                                     |             |              |             |
| General government                        | 13,812                             | 15,143      | -                                   | -           | 13,812       | 15,143      |
| Public safety                             | 35,811                             | 31,221      | -                                   | -           | 35,811       | 31,221      |
| Housing                                   | 2,059                              | 2,289       | -                                   | -           | 2,059        | 2,289       |
| Streets                                   | 6,931                              | 8,560       | -                                   | -           | 6,931        | 8,560       |
| Culture and recreation                    | 9,850                              | 9,152       | -                                   | -           | 9,850        | 9,152       |
| Interest on debt                          | 78                                 | 491         | 38                                  | -           | 116          | 491         |
| Water                                     | -                                  | -           | 19,369                              | 13,996      | 19,369       | 13,996      |
| Sewer                                     | -                                  | -           | 14,099                              | 14,195      | 14,099       | 14,195      |
| Solid waste                               | -                                  | -           | 12,567                              | 11,926      | 12,567       | 11,926      |
| Airport                                   | -                                  | -           | 3,803                               | 5,117       | 3,803        | 5,117       |
| Fiber optic                               | -                                  | -           | 59                                  | 67          | 59           | 67          |
| Total Expenses                            | 68,541                             | 66,856      | 49,935                              | 45,301      | 118,476      | 112,157     |
| Increase in net position before transfers | (3,114)                            | (1,449)     | 4,838                               | 7,758       | 1,723        | 6,309       |
| Internal balances                         | 251                                | 272         | (251)                               | (272)       | -            | 0           |
| Change in net position                    | (2,863)                            | (1,177)     | 4,586                               | 7,486       | 1,723        | 6,309       |
| Net position - beginning                  | 128,039                            | 129,216     | 112,354                             | 104,867     | 240,392      | 234,083     |
| Prior year adjustments                    | -                                  | -           | -                                   | -           | -            | -           |
| Net position - beginning restated         | 128,039                            | 129,216     | 112,354                             | 104,867     | 240,392      | 234,083     |
| Net position ending                       | 125,175                            | 128,039     | 116,940                             | 112,354     | 242,116      | 240,392     |

**Table 2:  
History of General Fund Balance**



For several years now, departments have highlighted the significant unfunded liability regarding capital assets, infrastructure and facility needs in the City. During the FY 2020-21 budget process, the City updated its Capital Plan and identified over \$40 million in unfunded capital needs. Another way to demonstrate this growing liability is through the decreasing total value of our governmental assets as identified in the FY 2019-20 CAFR. Referring to page 62 of the CAFR you will see that, depreciation and deletions are outpacing additions to capital assets. Further evidence of the City's need to invest more sustainably in capital. See Table 3.

**Table 3:  
Governmental Activities Capital Assets FY 2019-20**

| Capital Asset             | FY 2020        | FY 2019        | Change       | % Change      |
|---------------------------|----------------|----------------|--------------|---------------|
| Land                      | 16,468         | 14,472         | 1,996        | 13.79%        |
| Building and Improvements | 76,670         | 79,470         | (2,800)      | -3.52%        |
| Machinery & Equipment     | 6,259          | 5,061          | 1,198        | 23.67%        |
| Infrastructure            | 10,130         | 10,982         | (852)        | -7.76%        |
| Construction in progress  | 3,812          | 4,332          | (520)        | -12.00%       |
| <b>Totals</b>             | <b>113,339</b> | <b>114,317</b> | <b>(978)</b> | <b>-0.86%</b> |

## **II. Review of Fiscal Year 2020-21**

### **Revenues**

This is now our third update since the adoption of the FY 2020-21 budget. As each of the prior updates had indicated, our revenues have continued to exceed our expectations despite the pandemic. The declines projected in our tax revenues in particular have not come to pass. Property and Utility taxes are marching along at a relatively normal pace. Hotel tax (TOT) is tracking close to the budgeted 25% decrease, but we are hopeful some activity along with the new hotel opening in the spring will push this slightly above budget. Business licenses are essentially level from the prior year.

Sales tax continues to be a surprise. We now have data through the end of September 30th. If you recall, the summer months were fairly optimistic in terms of the pandemic. New daily cases were relatively low; this was before the fall and winter second wave of shut downs. This quarter had sales receipts up 15% from the same quarter the prior year. These trends are masking struggles in other parts of our economy, including, fuel sales were down -29%, restaurants down - 8%, and business and industry down -9%. However, these decreases were more than offset by increases in auto sales and increases in the state and county pools from online sales. We believe the increase in auto sales reflects some one-time activity that gave an extra boost to this category for this quarter and that future quarters will reflect more normal sales levels (though not the decrease we expected in the Budget).

In regards to online sales there are a couple of moving parts at work. First, this is the last quarter to include new online sale tax revenues resulting from the *Wayfair* court decision as compared to the prior year. Second, under the pandemic many people have turned to online shopping. New models of shopping such as “buy online and pick-up in the store” are being included in the pools. Third, as our tourism-based neighbors have experienced a drop in their sales, our share of the county online sales pool has increased. Therefore, we do not expect the increase seen in this quarter to continue as the tourism economy starts to recover in other parts of the county. Sales tax will likely level off and even decline slightly as the economy begins to open up and tourists return to the surrounding areas. Overall, we had budgeted for a 25% decline in sales tax revenues and are now projecting an increase of 6%.

In departmental revenues the story is more mixed. We have discussed several times the surge of activity that the Community Development Department is experiencing. They have essentially had no decline in revenues from prior years. However, our Police Department will have much less revenue than in prior years. As you recall, PVUSD canceled its contract for school resource officers earlier this year. Furthermore, staffing issues and policy choices around parking enforcement are reducing normal revenues from parking citations. The Parks and Recreation Department is another area where revenues will not meet budgeted targets. When building the budget, we assumed recreation activities would be able to resume in some way in September. We are now in February of 2021 and that has not happened. Therefore, revenues we would normally see from charges for recreation activities and rentals are far below target. We

still hope that come late spring and summer some amount of activity will be able to resume and we are therefore keeping the Department's expenditure budget intact, including the funding allocated for Youth Sports.

Overall the General Fund revenue story has been consistent over the past few months. We expect to end the year about \$5 million better than budget and only slightly below prior years.

### **Expenditures**

In order to balance the budget, \$4.4 million was reduced from operating budgets in the FY2020-21 Budget. Just as we have not seen the anticipated revenue declines we have also not seen declines in demand for services. Departments that were reduced are feeling strained in their operations and in their ability to meet demand. Current projections show that without budget adjustments departments will go over budget by the end of the fiscal year. Therefore, we are asking to add some expenditures to help them operate efficiently and respond to community needs.

- 1- Fire Department Overtime: The Fire Department had strike teams deployed around the state assisting with massive fires for most of July through October. In December we requested \$492,759 consistent with expected reimbursements. Since then, the Department has been dealing with staff turnover and mutual aid requests (COVID, wildfires, and vaccination support) that have resulted in increased overtime. We request an additional overtime appropriation of \$216,000 offset by \$50,000 in additional reimbursement revenue. We consider this to be a one-time allocation.
- 2- Community Development Department: The Community Development Department's budget was reduced by 25% after what initially seemed to be a devastating loss of revenues and activity. Since then, demand for the Department's services and therefore their revenues have stabilized. Through the end of December, the Department's revenues are at their historical average level. The Department asks to add two positions, a permit technician and a principal planner. The permit technician is a restoration of a position cut during the budget process and is currently being filled through a contract. The principal planner will be shared by the Community Development and Public Works Departments. The City has had increased workload on a number of large-scale projects and has been using a planning consultant to meet the need. Consultants do not provide the same level of service to applicants and is not ultimately cost-effective. CDD is also requesting increases in contract dollars because as stated above they have relied on consultants to fill in for staffing gaps over the last several months. We expect the consultant dollars to be a one-time bridge until staff can be hired and trained. Together the proposed increases total \$150,310 and are backed by revenue increases.
- 3- Parks and Community Services: The Parks and Community Services Department budget was perhaps the most impacted this budget cycle, partly due to cost saving needs but primarily because their normal activities were and continue to be prohibited under shelter in place restrictions. We built the FY2020-21 Budget hoping that many

of the programs could resume by September. Unfortunately, the prolonged pandemic and continued health restrictions have delayed the reopening of most department programs. However, the Department continues to serve the public through the Excel in Place camps for school children and by maintaining our parks and outdoor spaces. We also hope that at some point during this fiscal year more activities will be able to be provided. The Department is asking for a few additional items. First, salary dollars for the recently approved contract with OE3 staff. Second, \$80,000 for nexus and impact fee studies to research more sustainable funding sources for our parks and arts programs. And finally, an additional \$30,000 in capital dollars to be able to maintain our parks and recreation spaces while they have lower than normal utilization. In total a request of \$131,000.

- 4- Police: The Police Department, similar to the Fire Department, is dealing with staff turnover and staff intensive cases resulting in higher than normal overtime costs. Some of that overtime is offset by the savings from vacant positions, however the Department still needs some additional funding. We request \$50,000 for additional overtime. Furthermore, the Department requests additional salary dollars to fund the recently approved labor contract with the Police sergeants and upgrading one police officer position to a police sergeant to better meet their staffing needs. The overall request for the Police Department is \$89,041.
- 5- City Clerk: The City Clerk is required post-census to conduct a redistricting study. We had budgeted \$40,000 for this project however bids for this work have come in much higher. On a separate item on today's agenda, the City Clerk requests an additional \$76,800 to complete this state mandated obligation.
- 6- Non-Departmental: The City responded to two emergencies this year, including the continuation of COVID-19 response efforts and the CZU lightning fires where we supported the County's response efforts. Due to their emergency nature neither one of these efforts had explicit appropriations. We ask for an acknowledgement of the costs of this response: \$100k for COVID-19, and \$56,784 for the fires. The fire amount reflects an amount that will not be reimbursed from FEMA. The COVID-19 portion may be partially reimbursed however FEMA has been slow in responding to COVID-19 reimbursements and it is unclear at this time how much will be eligible.

All other departments are expected to end the year within their budgets. Table 4 on the following page shows the overall projection for the General Fund for FY 2020-21 without the additional appropriation requests and Table 5 summarizes General Fund appropriation requests. If the requests are approved, we will likely end the year on budget.



**Table 4: Summary of General Fund for FY 2020-21**

|                           | FY 2020-21         |                    |                   |                  |                   |                              |
|---------------------------|--------------------|--------------------|-------------------|------------------|-------------------|------------------------------|
| Revenues                  | Original Budget    | Revised Budget     | 6 mo Actuals      | 6 mo % of Budget | Feb. Projection   | better / (worse) than Budget |
| Property Tax              | 12,171,268         | 12,171,268         | 6,673,855         | 54.8%            | 13,093,361        | 922,093                      |
| Sales Tax                 | 8,173,255          | 8,173,255          | 6,262,600         | 76.6%            | 11,458,159        | 3,284,905                    |
| Utility                   | 3,852,945          | 3,852,945          | 1,854,740         | 48.1%            | 4,146,672         | 293,727                      |
| Hotel                     | 586,720            | 586,720            | 380,957           | 64.9%            | 704,684           | 117,964                      |
| Transfer In               | 3,952,808          | 3,952,808          | 1,853,029         | 46.9%            | 3,952,808         | -                            |
| Other Revenues            | 3,874,331          | 3,874,331          | 2,188,341         | 56.5%            | 4,364,690         | 490,359                      |
|                           | <b>32,611,327</b>  | <b>32,611,327</b>  | <b>19,213,523</b> | <b>58.9%</b>     | <b>37,720,374</b> | <b>5,109,047</b>             |
| CDD                       | 834,409            | 1,071,985          | 685,650           | 64.0%            | 1,344,534         | 272,549                      |
| Police                    | 1,437,500          | 1,437,500          | 417,035           | 29.0%            | 875,675           | (561,825)                    |
| Fire                      | 248,310            | 741,069            | 186,775           | 25.2%            | 813,587           | 72,518                       |
| PCS                       | 503,818            | 536,818            | 204,668           | 38.1%            | 417,083           | (119,735)                    |
| PW                        | 274,056            | 274,056            | 70,534            | 25.7%            | 112,562           | (161,494)                    |
| Other                     | 2,711,972          | 2,711,972          | 823,632           | 30.4%            | 2,711,857         | (115)                        |
| CARES Funding             |                    |                    | 530,053           |                  | 530,053           | 530,053                      |
| FEMA Reimbursement        |                    |                    |                   |                  |                   |                              |
| Total GF Revenue          | <b>38,621,392</b>  | <b>39,384,727</b>  | <b>22,131,869</b> | <b>56.2%</b>     | <b>44,525,724</b> | <b>5,140,997</b>             |
|                           |                    |                    |                   |                  |                   |                              |
| Expenditures              | Original Budget    | Revised Budget     | 6 mo Actuals      | 6 mo % of Budget | Feb. Projection   | better / (worse) than Budget |
| Police                    | 18,951,725         | 18,951,725         | 11,387,207        | 60.1%            | 19,017,089        | (65,364)                     |
| Fire                      | 7,150,127          | 7,642,886          | 4,791,827         | 62.7%            | 7,858,886         | (216,000)                    |
| PCS                       | 3,408,817          | 3,487,976          | 1,983,280         | 56.9%            | 3,508,976         | (21,000)                     |
| General Gov't             | 3,201,022          | 3,280,014          | 1,691,426         | 51.6%            | 3,421,184         | (141,170)                    |
| Non Dept                  | 2,301,470          | 2,460,237          | 1,121,404         | 45.6%            | 2,598,414         | (138,177)                    |
| CDD                       | 1,877,969          | 2,215,545          | 1,053,611         | 47.6%            | 2,340,934         | (125,389)                    |
| Finance                   | 1,590,665          | 1,590,665          | 896,084           | 56.3%            | 1,590,665         | -                            |
| PW                        | 1,410,113          | 1,410,113          | 755,799           | 53.6%            | 1,386,979         | 23,134                       |
| Library                   | 541,484            | 541,484            | 270,742           | 50.0%            | 541,484           | -                            |
| IT                        | -                  | -                  |                   |                  | -                 | -                            |
| Total Depts               | <b>40,433,392</b>  | <b>41,580,645</b>  | <b>23,951,380</b> | <b>57.6%</b>     | <b>42,264,611</b> | <b>(683,966)</b>             |
| Capital                   | <b>645,500</b>     | <b>787,929</b>     | <b>155,920</b>    | <b>19.8%</b>     | <b>553,015</b>    | <b>234,914</b>               |
| COVID                     |                    |                    | 88,571            |                  | 98,571            | (98,571)                     |
| Fires                     |                    |                    |                   |                  | 56,784            | (56,784)                     |
| Total Expenditures        | <b>41,078,892</b>  | <b>42,368,574</b>  | <b>24,195,871</b> | <b>57.1%</b>     | <b>42,972,981</b> | <b>(604,407)</b>             |
| YE change to Fund Balance | <b>(2,457,500)</b> | <b>(2,983,847)</b> |                   |                  | <b>1,552,743</b>  | <b>4,536,591</b>             |

**Table 5:  
Summary of General Fund Requested Budget Changes FY 2020-21**

| General Fund | Expenditures   | Revenues       | Balance          |
|--------------|----------------|----------------|------------------|
| One Time     | 632,784        | 50,099         | (582,685)        |
| Ongoing      | 110,351        | 150,310        | 39,959           |
|              | <b>743,135</b> | <b>200,409</b> | <b>(542,726)</b> |

## Other Funds

The **Airport Enterprise** Fund did a fantastic job of controlling costs and obtaining reimbursements during FY 2019-20 and ended the year with \$565k in cash. In FY 2020-21 they significantly reduced their budget anticipating a drop in commercial lease revenue and fuel sales. Like elsewhere, that has not happened. They ask to add one FTE back to their budget to help with staffing shortages and to ensure their staff do not burn out. They are on track to further increase their balances by the end of the year giving them a solid cushion on which to base their future capital planning.

The Utility Enterprise funds of Water, Sewer, and Solid Waste have seen relatively normal revenues considering the circumstances. The utilities have stopped shutting off services due to non-payment of utility bills. They do have a growing number of customers who are over 120 days delinquent on payments valued at about \$500,000. The utility enterprises are working with community groups and customers to find assistance and create payment plans where possible. Staff will continue to be sensitive to the very difficult situation we are in, and at the same time, encourage people to pay what they can.

The utility funds continue to be relatively healthy but are dependent on a future rate increase to be able to continue to meet the infrastructure needs of the customers and their systems. The water and sewer enterprise funds will likely add to their cash balances by the end of the year due to not completing all budgeted capital projects. The Solid Waste Enterprise Fund, which is having to adapt to new organics requirements and vehicle needs is likely to draw down on some of its balance this year.

The utility funds request some budget updates. They request to add a Safety Coordinator to oversee workplace safety for all utility operations. This is a previously budgeted position that was removed when it became vacant. The position will be budgeted in the Public Works Administrative Division and allocated to all utility funds. Water and Sewer are asking for movement of some funds and an overall decrease to match their updated capital plan with their budget. And finally, as mentioned during the last update the MSC vehicle shop has been moved to an internal service fund and is requesting appropriations to meet historical spending levels. These increases will be recovered from departments across the City, though primarily the utilities, who use their services.

Revenues from sales are the primary revenue source for the **Library, Gas Tax, Measure D, SB1, and Measure G (Y) funds**. Therefore, as discussed above, each of these funds

are projected to have better FY 2020-21 revenues than originally projected. All of these funds had been budgeted to dip significantly into their reserves in order to fund their operating expenses. The additional revenues anticipated will mean these funds will likely not have to dip so far into their reserves. We do not anticipate mid-year adjustments in these funds, but this will perhaps shape future expenditure plans.

Table 6 is a summary of projected activity in each of the fund mentioned above. Table 7 summarizes the requested budget changes.

**Table 6:  
Summary of Other Funds for FY 2020-21**

|                    |                | <b>Starting Balance</b> | <b>Revenue</b> | <b>Expense</b> | <b>Ending Balance</b> |
|--------------------|----------------|-------------------------|----------------|----------------|-----------------------|
| <b>Airport</b>     | Revised Budget | 565,192                 | 3,538,288      | 3,534,266      | 569,214               |
|                    | Projection     | 565,192                 | 3,971,596      | 3,534,266      | 1,002,522             |
|                    | Variance       |                         | 433,308        | -              | 433,308               |
| <b>Water</b>       | Revised Budget | 20,922,426              | 19,259,317     | 27,599,239     | 12,582,504            |
|                    | Projection     | 20,922,426              | 19,259,317     | 22,454,161     | 17,727,582            |
|                    | Variance       |                         | -              | 5,145,078      | 5,145,078             |
| <b>Sewer</b>       | Revised Budget | 6,945,784               | 17,962,377     | 22,617,546     | 2,290,615             |
|                    | Projection     | 6,945,784               | 19,274,877     | 19,148,328     | 7,072,333             |
|                    | Variance       |                         | 1,312,500      | 3,469,218      | 4,781,718             |
| <b>Solid Waste</b> | Revised Budget | 4,453,845               | 14,205,811     | 16,733,403     | 1,926,253             |
|                    | Projection     | 4,453,845               | 14,205,811     | 16,733,403     | 1,926,253             |
|                    | Variance       |                         | -              | -              | -                     |
| <b>Library</b>     | Revised Budget | 1,026,412               | 2,685,696      | 3,308,728      | 403,380               |
|                    | Projection     | 1,026,412               | 3,095,068      | 3,308,728      | 812,752               |
|                    | Variance       |                         | 409,372        | -              | 409,372               |
| <b>Gas Tax</b>     | Revised Budget | 537,214                 | 947,436        | 921,871        | 562,779               |
|                    | Projection     | 537,214                 | 1,390,552      | 1,321,871      | 605,895               |
|                    | Variance       |                         | 443,116        | (400,000)      | 43,116                |
| <b>SB1</b>         | Revised Budget | 1,176,330               | 577,160        | 2,032,088      | (278,598)             |
|                    | Projection     | 1,176,330               | 944,214        | 2,032,088      | 88,456                |
|                    | Variance       |                         | 367,054        | -              | 367,054               |
| <b>Measure D</b>   | Revised Budget | 2,093,206               | 2,176,600      | 2,819,898      | 1,449,908             |
|                    | Projection     | 2,093,206               | 1,108,320      | 2,819,898      | 381,628               |
|                    | Variance       |                         | (1,068,280)    | -              | (1,068,280)           |
| <b>Measure G</b>   | Revised Budget | 2,812,330               | 2,935,100      | 3,870,077      | 1,877,353             |
|                    | Projection     | 2,812,330               | 4,161,630      | 3,559,976      | 3,413,984             |
|                    | Variance       |                         | 1,226,530      | 310,101        | 1,536,631             |

**Table 7:  
Summary of Other Funds Requested Budget Changes FY 2020-21**

| <b>Fund</b>               | <b>Expenditures</b> | <b>Revenues</b> |
|---------------------------|---------------------|-----------------|
| Airport                   | 19,074              | 19,074          |
| Sewer                     | (872,344)           |                 |
| Water                     | (7,000)             |                 |
| MSC Internal Service Fund | 531,800             | 531,800         |

**Next Steps**

Staff will come back to Council with a budget outlook presentation in March. At that time, we will present an updated five-year outlook to inform the Council of what our revenue capacity is going forward. Staff will continue to monitor both revenues and expenditures for the remainder of the fiscal year. Department budgets are much tighter than in normal years and if need be we will come back to Council for a 9-month report sometime in May. However, if the situation remains consistent with what is presented here we will forgo that update and return to Council in June to present a proposed two-year budget.

**STRATEGIC PLAN:**

02-Fiscal Health: the report above meets strategic plan goal number 2 by keeping the Council and the public informed as to the status of the City's finances during the midst of this recession and pandemic.

**FINANCIAL IMPACT:**

The recommended appropriations detailed in Attachment 1 total \$2,269,845. Those appropriations are offset by \$1,849,180 in reduced appropriations and funded by \$751,283 in revenue. The remaining requests are being funded with anticipated tax revenues for the General Fund.

**ALTERNATIVE ACTION:**

Council may choose to accept some, all, or none of the recommendations before them.

**ATTACHMENTS AND/OR REFERENCES (If any):**

Attachment 1: Recommended Appropriation Detail

Attachment 2: Comprehensive Financial Report for FY 2019-20

Attachment 3: Annual Measure G Audit Report for FY 2019-20

# ATTACHMENT 1 FY 2020-2021 Appropriation Details

| Item | Dept.     | Type    | Fund | Org | Object | Project | Acct. Description                           | FY 20-21<br>Amount | Explanation   |
|------|-----------|---------|------|-----|--------|---------|---|--------------------|---|
| 1    | Airport   | Expense | 0730 | 560 | 7011   |         | 7011 - REGULAR SALARIES & WAGES             | 19,074             | new position AOS Step 1                                 |
| 2    | Airport   | Revenue | 0730 | 560 | 5821   |         | 5821 - FUEL SALES                           | 19,074             | Additional revenue                                      |
| 3    | Police    | Expense | 0150 | 410 | 7011   |         | 7011 - REGULAR SALARIES & WAGES             | 30,563             | Increases due to new Police Mid Management Contract     |
| 4    | Police    | Expense | 0150 | 410 | 7011   |         | 7011 - REGULAR SALARIES & WAGES             | 8,479              | Upgrade one Police office to Police Sergeant            |
| 5    | Police    | Expense | 0150 | 410 | 7012   |         | 7012 - OVERTIME PAY                         | 50,000             | Overtime due to staffing turnover and major year events |
| 6    | Fire      | Expense | 0150 | 450 | 7012   |         | 7012 - OVERTIME PAY                         | 216,000            | Fire overtime   |
| 7    | Fire      | Revenue | 0150 | 450 | 5895   |         | 5895 - OTHER REVENUE                        | 50,099             | Fire overtime partial offset with reimbursments         |
| 8    | Non- Dept | Expense | 0150 | 280 | 7559   | 12112   | 12112 - CORONAVIRUS RESPONSE                | 100,000            | Coronavirus spending for FY 20-21                       |
| 9    | Non- Dept | Expense | 0150 | 280 | 7011   | 12130   | 12160 - LIGHTNING COMPLEX FIRE              | 56,784             | Non reimburseable spending on CZU fire                  |
| 10   | RDA       | Expense | 0202 | 361 | 7751   |         | 7751 - CHARGES IN - INTERDEPARTMENTAL       | 6,000              | Administrative Correction                               |
| 11   | Finance   | Expense | 0150 | 230 | 7752   |         | 7752 - CHARGES OUT - INTERDEPARTMENTAL      | (6,000)            | Administrative Correction                               |
| 12   | PW        | Expense | 0791 | 573 | 7012   |         | 7012 - OVERTIME PAY                         | 30,000             | MSC restructuring                                       |
| 13   | PW        | Expense | 0791 | 573 | 7226   |         | 7226 - COMPUTER SOFTWARE                    | 20,000             | MSC restructuring                                       |
| 14   | PW        | Expense | 0791 | 573 | 7324   |         | 7324 - REP & MAINT                          | 26,000             | MSC restructuring                                       |
| 15   | PW        | Expense | 0791 | 573 | 7505   |         | 7505 - VEHICLE PARTS & SUPPLIES             | 400,000            | MSC restructuring                                       |
| 16   | PW        | Expense | 0791 | 573 | 7562   |         | 7562 - FUELS & LUBRICANTS-CHARGE OUTS       | 37,500             | MSC restructuring                                       |
| 17   | PW        | Expense | 0791 | 573 | 7559   |         | 7559 - OTHER SUPPLIES & MATERIALS           | 18,300             | MSC restructuring                                       |
| 18   | PW        | Revenue | 0791 | 573 | 5247   |         | 5247 - MUNI SERVICE CENTER CHARGES          | 531,800            | MSC restructuring                                       |
| 19   | PW        | Expense | 0720 | 596 | 7369   |         | 7369 - FEES & PERMITS                       | 400,000            | PVWMA groundwater augmentation                          |
| 20   | PW        | Expense | 0720 | 913 | 7361   |         | 14827 - MASTER PLAN FOLLOW UP PRE-DESIGN ST | (190,000)          | realigning capital plan with rate study plan            |
| 21   | PW        | Expense | 0720 | 913 | 7831   |         | 14825 - AIRPORT BOOSTER PUMP STATION SEISMI | (217,000)          | realigning capital plan with rate study plan            |
| 22   | PW        | Expense | 0710 | 911 | 7805   | 14581   | 14581 - VACTOR SEWER TRUCK                  | 500,000            | realigning capital plan with rate study plan            |
| 23   | PW        | Expense | 0710 | 911 | 7813   | 14041   | 14041 - FREEDOM AT AIRPORT STORM DRAIN      | (80,000)           | realigning capital plan with rate study plan            |
| 24   | PW        | Expense | 0710 | 911 | 7835   | 14622   | 14622 - ATKINSON FREEDOM SYDNEY&JEHL STORM  | (426,208)          | realigning capital plan with rate study plan            |
| 25   | PW        | Expense | 0710 | 911 | 7855   | 14328   | 14328 - WWTP INFRASTRUCTURE REPAIRS/REPLA   | (584,972)          | realigning capital plan with rate study plan            |
| 26   | PW        | Expense | 0710 | 911 | 7855   | 14793   | 14793 - SOLIDS THICKENING PROCESS IMPROVEME | (351,000)          | realigning capital plan with rate study plan            |
| 27   | PW        | Expense | 0710 | 540 | 7011   |         | 7011 - REGULAR SALARIES & WAGES             | 43,935             | Safety Compliance Officer                               |
| 28   | PW        | Expense | 0710 | 540 | 7011   |         | 7011 - REGULAR SALARIES & WAGES             | 25,901             | Principal Planner                                       |
| 29   | CDD       | Expense | 0150 | 315 | 7011   |         | 7011 - REGULAR SALARIES & WAGES             | 25,901             | Principal Planner                                       |
| 30   | CDD       | Expense | 0150 | 315 | 7011   |         | 7011 - REGULAR SALARIES & WAGES             | 24,409             | Permit Tech   |
| 31   | CDD       | Expense | 0150 | 315 | 7309   |         | 7309 - REIMBURSABLE CONSULTATION SVCS       | 20,000             | Increase in contract work for approved contracts        |
| 32   | CDD       | Expense | 0150 | 315 | 7361   |         | 7361 - OTHER CONTRACT SERVICES              | 80,000             | Increase in contract work for approved contracts        |
| 33   | CDD       | Revenue | 0150 | 315 | 5211   |         | 5211 - ENGINEERING PERMIT FEES              | 80,310             | Revenue offsets   |
| 34   | CDD       | Revenue | 0150 | 315 | 5131   |         | 5131 - PLANNING PERMITS                     | 70,000             | Revenue offsets   |
| 35   | PCS       | Expense | 0150 | 680 | 7011   |         | 7011 - REGULAR SALARIES & WAGES             | 21,000             | Increases due to new contract with OE3                  |
| 36   | PCS       | Expense | 0150 | 690 | 7361   |         | 7361 - OTHER CONTRACT SERVICES              | 80,000             | Impact Fee study for Parks in Lieu and Arts Fees        |
| 37   | PCS       | Expense | 0150 | 901 | 7855   | 14757   | 14757 - ADDITIONAL PARKS AND COMMUNITY SERV | 30,000             | Various parks improvements                              |



FISCAL YEAR ENDED  
June 30, 2020

*“Working with our community  
to create positive impact through  
service with heart.”*

# COMPREHENSIVE ANNUAL FINANCIAL REPORT





**City of Watsonville, California**

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Prepared by the Finance Department

Cindy Czerwin, Administrative Services Director





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**CITY OF WATSONVILLE, CALIFORNIA**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ending June 30, 2020**

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**Comprehensive Annual Financial Report**  
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# **INTRODUCTORY SECTION**

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# City of Watsonville

*"A Community of Opportunities"*

December 30, 2020

Honorable Mayor, City Council and Citizens of the City of Watsonville:

## **REPORT PURPOSE AND ORGANIZATION**

We are pleased to present the City of Watsonville's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020. The CAFR is intended to present information above, what is required by generally accepted accounting principles and State law.

The Charter of the City of Watsonville and the State of California law require that all general-purpose local governments publish within six months of the close of the fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (U.S.GAAP). The report should also be audited by an independent firm of certified public accountants (CPA) in accordance with generally accepted government auditing standards (GAGAS). Pursuant to the requirements, we hereby issue the comprehensive annual financial report of the City of Watsonville for the fiscal year ended June 30, 2020.

The CAFR consists of management's representation concerning the finances of the City of Watsonville (City). Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Watsonville's financial statements in conformity to U.S.GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Watsonville's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.



## **Audited Financial Statements**

Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Watsonville’s financial statements for the fiscal year ending June 30, 2020. A copy of this report is included in page 15 in the Financial Section of this report.

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with U.S. GAAP. The independent auditors report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Watsonville also incorporates a broader, federally mandated **Single Audit Uniform Guidance** designed to meet the special needs of federal grantor agencies. The standards governing the Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Watsonville’s separately issued Single Audit Report.

GAPP 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 MD&A and should be read in conjunction with it. The City of Watsonville’s MD&A can be found immediately following the report of the independent auditors.

## **CITY OF WATSONVILLE PROFILE**

The City of Watsonville was incorporated in 1868 and is located six miles inland from the Monterey Bay in the State of California. The government has a land area of 6.19 square miles and a population of 53,856 people based on US Census estimates as of July 1, 2019.

Watsonville became a charter City government in 1908. Policymaking and legislative authority are vested in the governing City Council, which consists of seven Council Members, one of whom serves as mayor. The mayor is appointed on sequential basis from each of the numbered City Council districts and serves for a term of one year. The council is elected on a non-partisan basis from seven electoral districts. Council members are elected to four-year terms. Elections are staggered with four

Council Members elected during one election and three Council Members elected in the following election two years later. The governing City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the government's City Manager, City Clerk, and Attorney. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the department heads.

### **City Services**

The City of Watsonville provides a full range of services including police and fire protection; water treatment and distribution; solid waste collection and disposal; sanitary sewer collection and treatment; airport facilities; building inspection, planning, economic development, housing rehabilitation, and general government services; library; recreation; parks; street construction and maintenance; and general administration.

The financial reporting entity of the City includes all the funds of the City of Watsonville, as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The Successor Agency of the City of Watsonville Redevelopment Agency's information in this year's financial report is presented separately as part of the fiduciary statements. Additional information can be found on this entity starting on page 93 within the notes to the financial statements.

### **Budgetary Process and Controls**

The annual budget serves as the foundation for the City of Watsonville's financial planning and control. All departments of the City of Watsonville are required to submit requests for appropriations to the government's management on or before March 31 of each fiscal year. The Finance Department uses these requests as a starting point for developing a proposed budget. The Finance Department then presents this proposed budget to the Council for review prior to May 31. The Council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the City of Watsonville's fiscal year. The appropriated budget is prepared by fund (i.e. General Fund, Water), department (i.e., police), and division (i.e., investigation).

Department directors may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the City Manager. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. The general fund, impact fee fund, housing fund, and redevelopment and housing grants fund comparisons are presented on pages 40 to 43 as part of the basic financial statements for the governmental funds. For governmental funds, other than major funds, with appropriated annual budgets,

these comparisons can be found in the governmental fund subsection of this report, which starts on page 103.

## **FACTORS AFFECTING FINANCIAL CONDITON**

Fiscal Year 2019-2020 was an interesting year indeed. What began as a normal year continuing several years of steady growth ended in the middle of a pandemic. Despite ending the year with rapidly changing and unknow economic circumstances the City of Watsonville managed to take quick and decisive action that maintained the fiscal health of the City.

### **Local Economy**

The COVID 19 pandemic ended what had been several years of steady revenue growth for the City of Watsonville. In the final quarter of Fiscal Year 2019-2020 we, like most of the county, experienced many unexpected changes. We saw county and state shelter in place orders that forced the closure of many of our business including restaurants. Schools were closed. Our recreation programming had to be canceled and refunded to those who had pre-enrolled. Rentals of our facilities and RV park were likewise canceled and refunded. State programs were put in place to delay the collection of sales taxes from small businesses further complicating data available to analyze the picture. We saw unemployment in our City rise to a peak of 17%.

We saw some of the lowest months of revenue collections and activities on record. In April when construction activities were ordered to halt, activity and revenue in our Community Development Department dropped by 75%. May revenues for our Parks and Community Services Department were actually negative due to the refunds that needed to be processed.

Despite the confusion brought by the pandemic and due to the positive direction, we had been headed prior to the pandemic, Watsonville was able to end the fiscal year on stable footing driven by year over year tax increases and responsible spending and savings on the part of our departments.

Property tax hit another new peak. Property tax collections in FY 2019-2020 were of course driven by assessments that were set prior to the onset of the pandemic and reflected another increase in residual payments from formerly redevelopment areas as debt related to those projects is retired. Despite the pandemic, growth and building in Watsonville continues including several residential and commercial projects in various phases of planning or construction including, two hotels, and a major commercial project on Main St. However, home sales have slowed and in contrast to the rest of Santa Cruz county, prices have flattened. Therefore, while we expect continued growth in property tax in future years it is likely to be at a lower rate than we have seen recently.

Sales tax revenues declined by 1% from the prior year ending a streak of increases that had been going since FY 2010-11. Large quarterly decreases in the areas of fuel, restaurants and hotels, and general consumer goods were partially offset by increases in online sales represented by allocations from our state and county pools. Our share of that pool also increased from 21 to 23 percent as local sales dropped more in our neighboring tourist driven communities than here in Watsonville.

Community development fees dropped to their lowest point since FY 2016-2017 due to a slowdown in fourth quarter activity. The department has since seen a rebound and activity levels have normalized. It appears that the drop in FY 2019-2020 will be short lived.

Utility user taxes are driven by consumer utility prices and demand. FY 2019-2020 saw a 6% growth over the prior year. No decline as was anticipated at the beginning of the pandemic. Perhaps sheltering in place and distance learning made many of the technologies covered by this tax indispensable as they may have been during prior recessions. Normal increases in utility rates from higher energy prices and planned capital improvements to infrastructure have a corresponding increase in this tax.

Transient Occupancy Tax saw a 15% decline, putting it at its lowest levels since 2015-16. This is due to a fourth quarter that had collections of just 10% of normal. However, as tourism is not major part of the Watsonville economy this loss is not as hard felt as in some neighboring areas. We expect FY 2020-2021 with several quarters of declines in hotel stays will see further declines.

Back in March, knowing we would be facing an economic crisis along with the public health one, City officials immediately made decisions to control spending. In some cases, not by choice as in the closure of recreation programs, but in other instances we were able to freeze hiring and reduce costs without dramatically altering services offered to our residents or affecting full time permanent staff. Some of the operational savings were redirected toward readiness and preparation for staff to function in a new COVID 19 environment. Unexpected purchases and spending included personal protection equipment, plexiglass barriers, new online and remote work technologies, and new emergency FMLA leaves provided to employees.

Overall the combination of surprising steady revenue growth and smart reactive expenditure decisions the City has grown its balances and net position.

### **Long-term financial planning**

Fiscal Year 2019-20 spent one-third of the year living through the COVID 19 pandemic. We as a City weathered it well. However, the lasting impacts of the pandemic and its resulting recession are yet unknown. Fiscal year 2020-21 is likely

to spend its entirety in the ups and downs of the pandemic. As of the writing of this, in December, the United States has just begun its vaccine program while we are in the midst of the worst case and death counts that country has yet to experience and the county, state, and City are returning to some of the strict lock down measures that were implemented in March.

The 2008 and 2009 recession hit Watsonville particularly hard. We took a very long time to recover to prior peak revenues, seven years to be exact, until 2015. While the current pandemic induced recession is proving to be quite different than the 2008 recession it remains anyone's guess as to how Watsonville will be able to weather the long-term effects of this storm. We believe many of our residents have been able to stay afloat to do stimulus programs and extended unemployment benefits offered by the Federal Government. How our residents and businesses are able to make it through to the end is unclear as those stimulus programs are scheduled to end on December 31. Furthermore, it is yet to be seen how and if behavior patterns change permanently. Will online shopping continue at this level? Will tourism and hotel stays return to us and our neighbors? Will restaurants continue to focus on take-out models? And when will recreation activities be able to resume? All of these are unanswered questions that will determine the mix of revenues available to Watsonville and the types of services we offer to our residents.

To meet these unknown challenges, we need to continue to be flexible and thoughtful. Despite several years of steady increases Watsonville was already facing a structure shortfall with upcoming increases in retirement Unfunded Actuarial Liability costs and a known unfunded capital plan of over \$40million. The pandemic related recession is only worsening that future structural problem. The increased balances from Fiscal Year 2019-2020 need to be preserved and used carefully to smooth out those increased costs and invest in our capital liability. A rush to increase operating expenses and business as usual would be unwise in what continues to be an unknown environment.

The FY 2020-21 budget was approved using emergency reserves to balance anticipated revenue shortfalls. Thus far the revenue shortfalls do not seem as extreme as originally anticipated but that is far from certain as are the long-term effects of the recession. However, if Watsonville's leadership continues to be careful and thoughtful as they have thus shown themselves to be I am confident that we will be able to get through this tough phase and grow again. We just don't yet know when.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Watsonville, California for its comprehensive annual financial report (CAFR) for the fiscal year ending June 30, 2019. This was the nineteenth consecutive year that the

government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easy, readable, and efficiently organized CAFR. The report satisfies both U.S. GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR meets the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate. In addition, the City has received the GFOA's Award for Distinguished Budget Presentation for its biennial budget dated June 19, 2019. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including policy documentation, a financial plan and a communication device.

The preparation of this report could not have been accomplished without the efficient and dedicated service of the Finance Department staff. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. In particular Assistant Finance Director, Marissa Duran, who coordinated the audit. Patricia Rodriguez, Senior Financial Analyst, also deserves special recognition for her contribution to the report. The following remaining Finance Staff made this report possible through their dedicated service throughout the fiscal year: Marisa Bermudez, Ilda Estrada, Maribel Pierce, Christine McGrath, Diana Rivas, Laura Calata, and Mary Stepovich. The Mayor and the governing council should also be given due credit for their interest and support in managing the City of Watsonville in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'S. Duran', written over a horizontal line.

Administrative Services Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Watsonville  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

# **City of Watsonville, California**

## **Officers and Officials**

For the Fiscal Year End June 30, 2020

### **City Council:**

Mayor – Rebecca J. Garcia

Mayor Pro Tempore – Trina Coffman-Gomez

Council Member – Felipe Hernandez

Council Member – Aurelio Gonzalez

Council Member – Lowell Hurst

Council Member – Francisco Estrada

Council Member – Ari Parker

### **City Officials:**

City Manager – Matt Huffaker

City Clerk – Beatriz Vazquez Flores

Fire Chief – Pablo Barreto

Police Chief – David Honda

Public Works Director – Steve Palmasano

Library Director – Carol Heitzig

Community Development Director – Suzi Meriam

Parks and Community Services Director – Nick Calubaquib

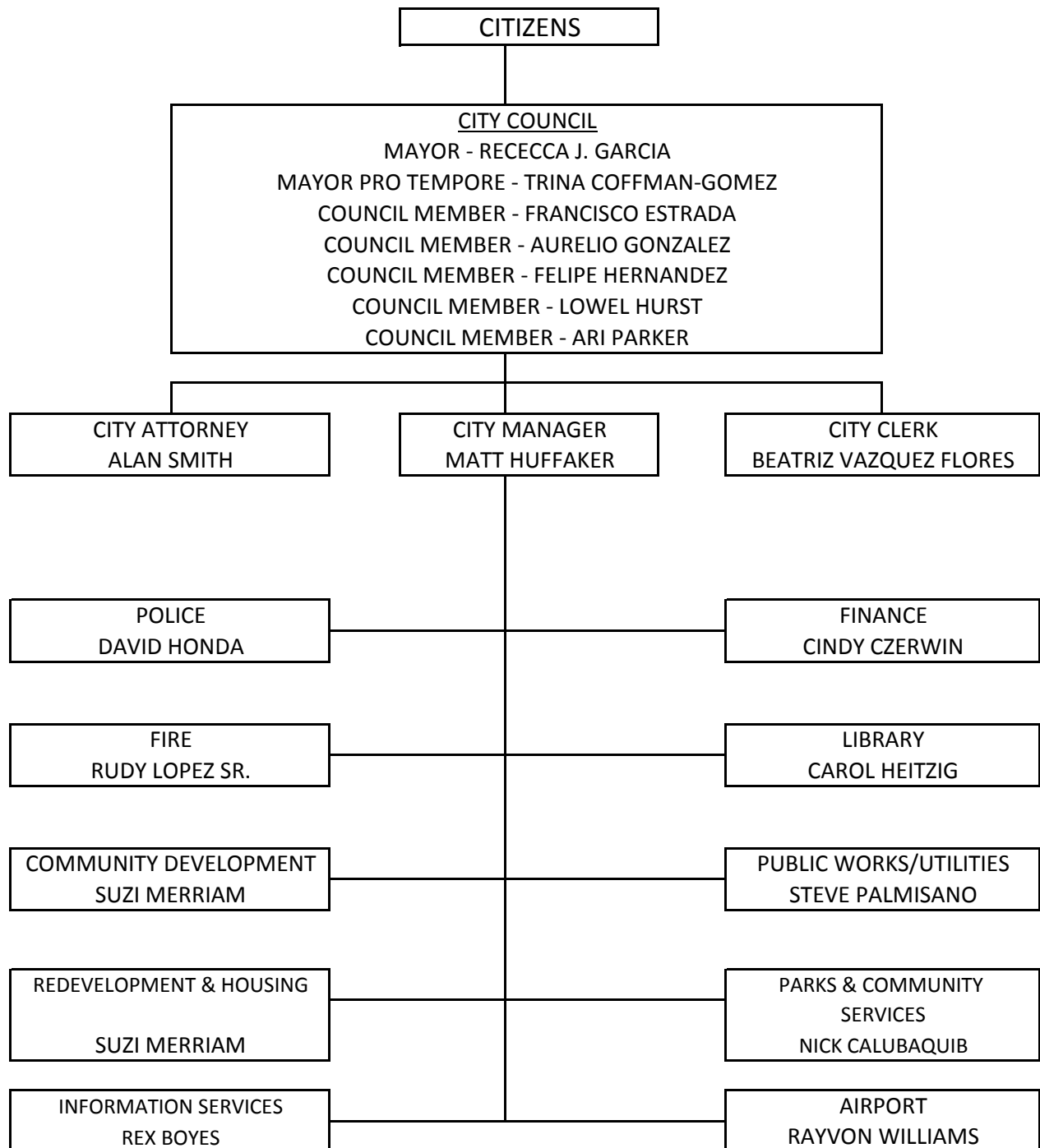
Airport Director – Rayvon Williams



# WATSONVILLE GOVERNING BODY

## ORGANIZATIONAL STRUCTURE

FISCAL YEAR 2019 - 2020



# Financial Section

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the  
City Council of the City of Watsonville, California

### *Report on Financial Statements*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Watsonville, California (City), as of and for the year ended June 30, 2020, 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 the 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 City'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 City'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, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and respective budgetary comparisons listed in the Table of Contents as part of the basic financial statements 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 Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents, 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, Supplementary Information, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 Supplementary Information is 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, 2020 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 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 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.

*Maze & Associates*

Pleasant Hill, California  
December 30, 2020

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## **CITY OF WATSONVILLE, CALIFORNIA MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Watsonville, we offer readers of the City of Watsonville's financial statements this narrative overview and analysis of the financial activities of the City of Watsonville for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 2 - 8 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### **Financial Highlights**

- The assets of the City of Watsonville exceeded its liabilities at the close of the most recent fiscal year by \$242,116.
- The City's deferred outflow of resources-Pension totaled \$17,382 and its deferred inflow of resources-Pensions totaled \$3,291.
- The City's liabilities totaled \$113,706.
- The City's total net position increased by \$1,723. Governmental activities net position decreased by \$2,864 most of this decrease was due to an increase in long term liabilities notably pension liability. Business type activities net position increased by \$4,586. Most of this increase was from Water ending with positive operating income.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$38,820 an increase of \$5,432 in comparison with the prior fiscal year's balances. The non-spendable portion of the fund balance was \$114, the restricted portion was \$20,610 and the unassigned amount was \$18,096 a large portion of the unassigned fund balance was created by increases in taxes by the general fund during fiscal year 2019-20 and budgetary expenditure savings.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Watsonville's basic financial statements. The City of Watsonville's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City of Watsonville's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City of Watsonville's assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of



Watsonville is improving or deteriorating overtime.

The *Statement of Activities* presents information showing how the City of Watsonville'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 or related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods (e.g. uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City of Watsonville 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 of Watsonville include general government, public safety, housing, streets, and culture and recreation. The business-type activities of the City of Watsonville include water, sewer, solid waste, airport, and fiber optic activities.

The government-wide financial statements can be found on pages 35 to 36 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 or objectives. The City of Watsonville, 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 of Watsonville can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, 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 evaluation of a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of 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 fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Watsonville maintains eighteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, impact fees fund, housing fund, redevelopment and housing grants fund, and general debt service fund which are all major funds. Data for the other thirteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Watsonville adopts a biennial budget (one year adopted and one year proposed) for all its governmental funds.

The basic governmental fund financial statements can be found on pages 38 to 44 of this report.

**Proprietary funds.** The City of Watsonville maintains two types of proprietary funds; Enterprise and Internal Service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Watsonville uses enterprise funds to account for Water, Sewer, Solid Waste, Airport and Fiber Optic operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the water, sewer, solid waste, airport and fiber optic operations, all of which are considered to be major funds of the City of Watsonville.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Watsonville's various functions. The City of Watsonville uses an internal service fund to account for insurance activities of the City. The fund predominantly benefits governmental funds rather than business-type functions, and it has been included within governmental activities in the government-wide financial statements. Conversely, the internal service fund is presented in the proprietary funds financial statements.

The basic proprietary funds financial statements can be found on pages 45 to 47 of this report.

**Fiduciary fund.** Fiduciary funds are used to account for resources held for the benefit of parties' outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Watsonville's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 48 to 49.

**Notes to the financial statements.** The notes 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 financial statements can be found on pages 50 to 91 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, required supplementary information, combining statements and schedules referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 99 to 109 of this report.

## **Government-wide Financial Analysis**

**Statement of Net Position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Watsonville, assets exceeded liabilities by \$242,116 at the close of the most recent fiscal year.

By far the largest portion of the City of Watsonville's net position \$212,714 reflects its investment in capital assets (e.g., land, buildings and improvements, machinery, work in progress, and infrastructure) less any related outstanding debt used to acquire those assets. The City of Watsonville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Watsonville's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Watsonville's net position \$22,228 represent resources that are subject to external restrictions on how they may be used by creditors (such as through debt covenants), grantors, contributions or laws or regulations of other governments. The remaining balance of unrestricted net position \$13,109 is unrestricted and available for next year's operations at the direction of the City Council.

**City of Watsonville's Net Position**  
**June 30, 2020**  
(in thousands)

|                                   | <b>Governmental<br/>Activities</b> |             | <b>Business-type<br/>Activities</b> |             | <b>Total</b> |             |
|-----------------------------------|------------------------------------|-------------|-------------------------------------|-------------|--------------|-------------|
|                                   | <b>2020</b>                        | <b>2019</b> | <b>2020</b>                         | <b>2019</b> | <b>2020</b>  | <b>2019</b> |
|                                   | <b>\$</b>                          | <b>\$</b>   | <b>\$</b>                           | <b>\$</b>   | <b>\$</b>    | <b>\$</b>   |
| Current and other assets          | 80,610                             | 77,941      | 48,407                              | 45,170      | 129,017      | 123,111     |
| Capital assets                    | 113,339                            | 114,316     | 99,375                              | 95,132      | 212,714      | 209,448     |
| Total Assets                      | 193,949                            | 192,257     | 147,782                             | 140,302     | 341,731      | 332,559     |
| Deferred outflows of resources    | 13,507                             | 13,364      | 3,875                               | 4,221       | 17,382       | 17,585      |
| Total Deferred Resources          | 13,507                             | 13,364      | 3,875                               | 4,221       | 17,382       | 17,585      |
| Long-term liabilities outstanding | 67,835                             | 63,437      | 29,758                              | 28,226      | 97,593       | 91,663      |
| Other Liabilities                 | 11,762                             | 12,149      | 4,350                               | 3,304       | 16,113       | 15,453      |
| Total Liabilities                 | 79,597                             | 75,586      | 34,109                              | 31,530      | 113,706      | 107,116     |
| Deferred inflows of resources     | 2,683                              | 1,996       | 608                                 | 639         | 3,291        | 2,635       |
| Total Deferred Resources          | 2,683                              | 1,996       | 608                                 | 639         | 3,291        | 2,635       |
| Net Position:                     |                                    |             |                                     |             |              |             |
| Net investment in capital assets  | 109,660                            | 110,033     | 97,119                              | 92,296      | 206,779      | 202,329     |
| Restricted                        | 22,228                             | 19,803      | -                                   | -           | 22,228       | 19,803      |
| Unrestricted                      | (6,712)                            | (1,798)     | 19,821                              | 20,058      | 13,109       | 18,260      |
| Total Net Position                | 125,175                            | 128,039     | 116,940                             | 112,354     | 242,116      | 240,392     |

At the end of the current fiscal year, the City of Watsonville is able to report positive balances in net investment in capital assets and restricted net position for the government as a whole.

**City of Watsonville**  
**Summary of Changes in Net Position**  
**For the Fiscal Year Ending June 30, 2020**  
(in thousands)

|   | <b>Governmental<br/>Activities</b> |             | <b>Business-type<br/>Activities</b> |             | <b>Total</b> |             |
|---|------------------------------------|-------------|-------------------------------------|-------------|--------------|-------------|
|   | <b>2020</b>                        | <b>2019</b> | <b>2020</b>                         | <b>2019</b> | <b>2020</b>  | <b>2019</b> |
|   | \$                                 | \$          | \$                                  | \$          | \$           | \$          |
| Revenues:                                 |                                    |             |                                     |             |              |             |
| Program Revenues:                         |                                    |             |                                     |             |              |             |
| Charges for services                      | 11,936                             | 16,222      | 53,011                              | 49,935      | 64,947       | 66,157      |
| Operating grants and contributions        | 5,988                              | 2,501       | 787                                 | 2,016       | 6,775        | 4,517       |
| Capital grants and contributions          | -                                  | -           | 163                                 | 94          | 163          | 94          |
| General Revenues                          |                                    |             |                                     |             |              |             |
| Property taxes                            | 16,243                             | 15,669      | -                                   | -           | 16,243       | 15,669      |
| Other taxes                               | 26,704                             | 26,965      | -                                   | -           | 26,704       | 26,965      |
| Others                                    | 4,555                              | 4,050       | 811                                 | 1,014       | 5,366        | 5,064       |
| Total Revenues and Transfers              | 65,427                             | 65,407      | 54,772                              | 53,059      | 120,199      | 118,466     |
| Expenses:                                 |                                    |             |                                     |             |              |             |
| General government                        | 13,812                             | 15,143      | -                                   | -           | 13,812       | 15,143      |
| Public safety                             | 35,811                             | 31,221      | -                                   | -           | 35,811       | 31,221      |
| Housing                                   | 2,059                              | 2,289       | -                                   | -           | 2,059        | 2,289       |
| Streets                                   | 6,931                              | 8,560       | -                                   | -           | 6,931        | 8,560       |
| Culture and recreation                    | 9,850                              | 9,152       | -                                   | -           | 9,850        | 9,152       |
| Interest on debt                          | 78                                 | 491         | 38                                  | -           | 116          | 491         |
| Water                                     | -                                  | -           | 19,369                              | 13,996      | 19,369       | 13,996      |
| Sewer                                     | -                                  | -           | 14,099                              | 14,195      | 14,099       | 14,195      |
| Solid waste                               | -                                  | -           | 12,567                              | 11,926      | 12,567       | 11,926      |
| Airport                                   | -                                  | -           | 3,803                               | 5,117       | 3,803        | 5,117       |
| Fiber optic                               | -                                  | -           | 59                                  | 67          | 59           | 67          |
| Total Expenses                            | 68,541                             | 66,856      | 49,935                              | 45,301      | 118,476      | 112,157     |
| Increase in net position before transfers | (3,114)                            | (1,449)     | 4,838                               | 7,758       | 1,723        | 6,309       |
| Internal balances                         | 251                                | 272         | (251)                               | (272)       | -            | 0           |
| Change in net position                    | (2,863)                            | (1,177)     | 4,586                               | 7,486       | 1,723        | 6,309       |
| Net position - beginning                  | 128,039                            | 129,216     | 112,354                             | 104,867     | 240,392      | 234,083     |
| Prior year adjustments                    | -                                  | -           | -                                   | -           | -            | -           |
| Net position - beginning restated         | 128,039                            | 129,216     | 112,354                             | 104,867     | 240,392      | 234,083     |
| Net position ending                       | 125,175                            | 128,039     | 116,940                             | 112,354     | 242,116      | 240,392     |

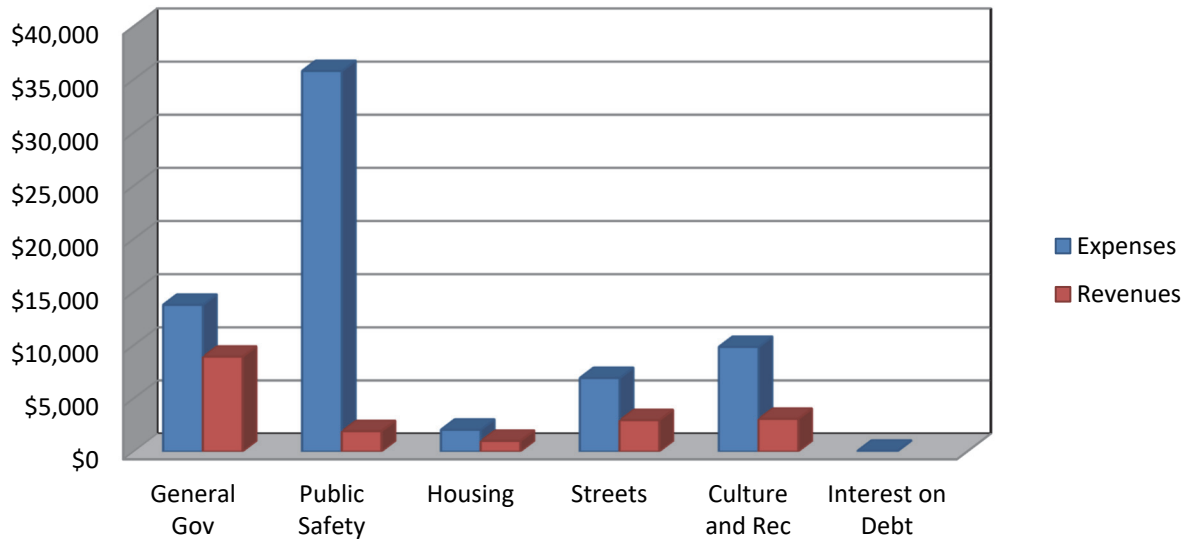
**Governmental Activities.** Governmental activities decreased the City of Watsonville's Net Position by a \$2,863. Key elements of this increase are as follows:

- Governmental revenues were fairly flat compared with last year. There were very minimal increases in tax categories and a decrease in charges for services offset by increases in grants and contributions.
- Governmental expenses increased by \$1,685 primarily in the area of public safety due to negotiated increases in salary and benefit costs. These increases were partially offset by savings in other areas after expenses were frozen or restricted due to the uncertainty around

the COVID 19 crisis in the final quarter of the fiscal year.

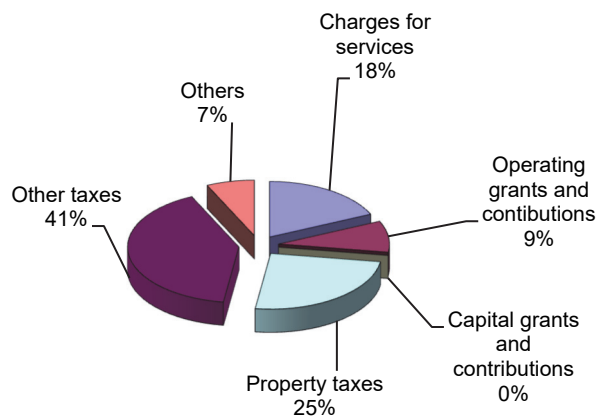
## Expenses and Program Revenues

### Governmental Activities



## Revenues by Source

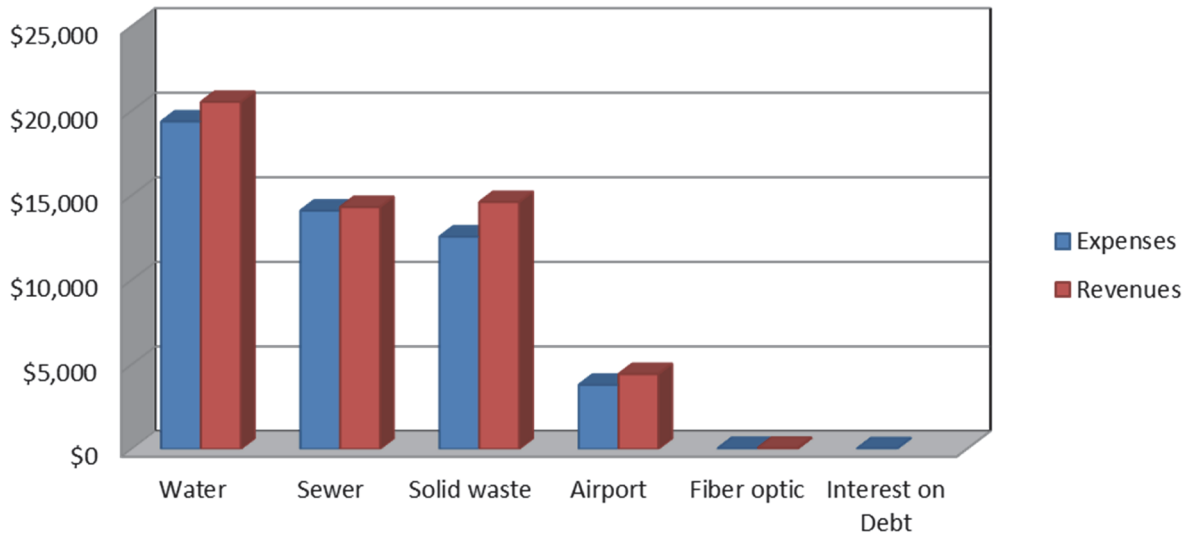
### Governmental Activities



**Business-type activities.** Business-type activities increased the City of Watsonville's net position by \$4,586. Key elements of this increase are as follows:

## Expenses and Program Revenues

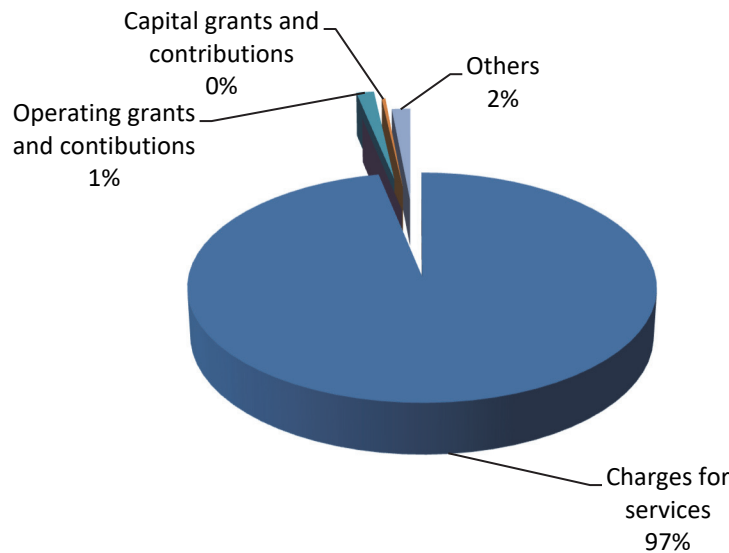
### Business-type Activities



- Charges for services increased by \$3,076 and all other revenues decreased by \$1,363. The increase in charges for services was mostly from a prior year rate increase for the Water, Sewer and Solid Waste Funds.
- Water and Solid Waste had increases in operating costs as of the fiscal year end. A large portion of the increase for both funds was negotiated salary increases. The airport had a decrease in costs driven by decrease capital expenditures compared to the prior year and reduced operating expenses due to COVID 19 in the final quarter of the year.

## Revenues by Source

### Business-type Activities



### Financial Analysis of the City of Watsonville's Funds

As noted earlier, the City of Watsonville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City of Watsonville'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 Watsonville's financing requirements. In particular, restricted fund balances for specific purposes may serve as a useful measure of a government's net resources available for spending on various activities at the end of the fiscal year.

As of the end of the current fiscal year, the City of Watsonville's governmental funds reported combined ending fund balances of \$38,820, an increase of \$5,432 in comparison with the prior year. The largest portion of fund balances is restricted for specific purposes and the largest restricted portion is for impact fees in the amount of \$6,046. This balance is for projects that have been budgeted, planned or will be completed within the next five years. The remainders of fund balances are either non-spendable or unassigned at year end. The non-spendable portion of fund balances represents the amounts of funds that cannot be spent because they are either not in spendable form or legally required to remain intact. Unassigned fund balances represent amounts which are unconstrained in that they may be spent for any purpose.

The *General Fund* is the chief operating fund of the City of Watsonville. At the end of the current fiscal year, the charter reserve of the General Fund was \$2,450. As a measure of the General Fund's liquidity, it may be useful to compare both the charter reserve and total fund

balance to total fund expenditures. The City's General Fund Reserve met the Charter Reserve this fiscal year end. The required Charter Reserve fund balance would be 5.2 percent of total general fund expenditures; the total fund balance represented 35 percent of the same amount.

The fund balance of the City of Watsonville's General Fund increased by \$3,325 during the current year largely due steady increases in revenues and controlled expenditures. Departments were asked to freeze and reduce expenditures in the last quarter of the fiscal year in anticipation of significant drops in sales tax revenues that did not materialize.

The changes in Governmental Fund balance can be attributed to:

The General Fund increase in fund balance was from increases in various revenue types, such as, property tax, sales tax and utility tax revenues, decrease in operating costs from a controlled fourth quarter spending initiative.

The Impact Fees Fund had a fund balance of \$6,046 an increase of \$316 over the prior year's fund balance. This increase was due to new revenues and saving for future projects in fund balance.

The Housing Fund had a fund balance of \$4,414, an increase of \$545 over the prior year's fund balance. This increase is due to loan repayments during the fiscal year were greater than expenditures.

The Redevelopment and Housing Grants Fund has a negative fund balance of (\$46), an of \$135 from the negative beginning fund balance. This increase is the result of increasing revenues.

The government's Debt Service Fund had a fund balance of \$238, an increase of \$109 during the fiscal year. This increase is the result of solar project revenues.

**Proprietary funds.** The City of Watsonville's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position and changes of net position for the five major enterprise funds are as follows:

#### **Proprietary Funds Change of Net Position**

| <b>Fund</b>   | <b>FY 2020</b> | <b>FY 2019</b> | <b>Change</b> | <b>% Change</b> |
|---------------|----------------|----------------|---------------|-----------------|
| Water         | 57,863         | 56,388         | 1,475         | 2.62%           |
| Sewer         | 43,315         | 43,034         | 281           | 0.65%           |
| Solid Waste   | 6,219          | 4,041          | 2,178         | 53.90%          |
| Airport       | 9,526          | 8,895          | 631           | 7.09%           |
| Fiber Optic   | 17             | (4)            | 21            | 525.00%         |
| <b>Totals</b> | <b>116,940</b> | <b>112,354</b> | <b>4,586</b>  | <b>4.08%</b>    |

Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Watsonville's business-type activities.



## General Fund Budgetary Highlights

There were very few budget amendments this fiscal year. Nearly all amendments were related to the acceptance of grants, including 3 large grants for urban greening, trails and sloughs, and the downtown specific plan. We also mid-year accepted responsibility of the senior center and senior programming which was added to our budget.

Tax revenues were \$1,755 over budget. This increase in tax revenue was primarily due to property tax being over budget. In Fiscal Year 2018-2019 the City received Property from the receipt of unexpected residual payments from the state we received this late in the fiscal year and therefore did not have time to include it in the fiscal year 2019-2020 budget. Miscellaneous revenues were over budget by \$865 of which was largely a one-time reimbursement from a prior year capital expenditure. General government, public safety, streets and culture and recreation expenditures were lower than expected as all divisions were asked to freeze hiring and reduce expenditures in the last quarter of the fiscal year due to anticipated revenue shortfalls from COVID 19.

## Capital Asset and Debt Administration

**Capital assets.** The City of Watsonville's capital assets, for its governmental and business type activities as of June 30, 2020 was \$212,713 (net of depreciation). This represents a \$3,266 increase from the prior year or 1.56%.

### Total City of Watsonville Capital Assets FY 2019-20

| Capital Asset             | FY 2020 | FY 2019 | Change  | % Change |
|---------------------------|---------|---------|---------|----------|
| Land                      | 31,239  | 28,118  | 3,121   | 11.10%   |
| Building and Improvements | 130,354 | 135,198 | (4,844) | -3.58%   |
| Machinery & Equipment     | 12,914  | 9,186   | 3,728   | 40.58%   |
| Infrastructure            | 27,804  | 26,074  | 1,730   | 6.63%    |
| Construction in progress  | 10,402  | 10,872  | (470)   | -4.32%   |
| Totals                    | 212,713 | 209,448 | 3,266   | 1.56%    |

Governmental Type Activities decreased by 0.86% due to depreciation outpacing additions.

### Governmental Activities Capital Assets FY 2019-20

| Capital Asset             | FY 2020 | FY 2019 | Change  | % Change |
|---------------------------|---------|---------|---------|----------|
| Land                      | 16,468  | 14,472  | 1,996   | 13.79%   |
| Building and Improvements | 76,670  | 79,470  | (2,800) | -3.52%   |
| Machinery & Equipment     | 6,259   | 5,061   | 1,198   | 23.67%   |
| Infrastructure            | 10,130  | 10,982  | (852)   | -7.76%   |
| Construction in progress  | 3,812   | 4,332   | (520)   | -12.00%  |
| Totals                    | 113,339 | 114,317 | (978)   | -0.86%   |

While Business Type Activities increased by 4.46% with additions including the completion of some major sewer infrastructure projects and purchases of large heavy equipment by both the sewer and solid waste funds.

#### **Business Type Activities Capital Assets FY 2019-20**

| <b>Capital Asset</b>      | <b>FY 2020</b> | <b>FY 2019</b> | <b>Change</b> | <b>% Change</b> |
|---------------------------|----------------|----------------|---------------|-----------------|
| Land                      | 14,771         | 13,647         | 1,125         | 8.24%           |
| Building and Improvements | 53,684         | 55,729         | (2,044)       | -3.67%          |
| Machinery & Equipment     | 6,655          | 4,125          | 2,530         | 61.33%          |
| Infrastructure            | 17,675         | 15,092         | 2,583         | 17.12%          |
| Construction in progress  | 6,590          | 6,540          | 50            | 0.76%           |
| Totals                    | 99,375         | 95,133         | 4,242         | 4.46%           |

Additional information on the City of Watsonville's capital assets can be found in Note 4 on pages 63 to 64 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the City of Watsonville had total net debt outstanding of \$98,661. The debt for governmental activities is made up of capital lease of \$801, notes payable of \$1,178, debt payable of \$1,699, net OPEB liability of \$2,018, compensated absences of \$2,055, and net pension of \$60,966. Business type activities have \$324 in notes payable, \$1,369 in a loan, net OPEB liability of \$1,516, compensated absences of \$830, net pension of \$22,206 and landfill closure/post closure liability of \$3,698.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limit for the City of Watsonville is \$172,237 which is significantly in excess of the City of Watsonville's outstanding debt subject to this limit.

Additional information on the City of Watsonville's long-term debt can be found in Note 5 on pages 66 to 74 of this report.

#### **Economic Factors and Next Year's Budget**

- Likely growth in property tax but potential declines in sales tax and other revenues due to economic impacts of the COVID 19 pandemic and resulting recession.
- Use of General Fund reserves and fund balance across many funds to offset anticipated reduced revenues
- Less growth in charges for services than prior years in the proprietary funds due to the delay of an anticipated rate increase.
- Reduced operating expenditures also due to the City's response to the COVID 19 pandemic.
- Reduced capital expenditures and investments due to the COVID 19 pandemic.
- Continued and accelerated increases in PERS contributions.

Watsonville's future is unclear at the moment due to the unknown impact of the COVID 19 pandemic and its resulting recession. After several years of improving position Watsonville appears poised to weather the immediate impacts of the pandemic through the reduction of some expenditures and use of reserves and fund balance. The long-term impacts of sustained unemployment, business closures, and changes to shopping and travel behavior are as yet unknown and will impact Watsonville's future. We still face ever increasing PERS contributions and have a large pent up demand for capital investments. Watsonville will have to act cautiously to balance increasing expenditure pressure with what is likely to be several years of flatter revenue growth than we have recently experienced.

All of these factors were taken into consideration during the preparation of the City of Watsonville's annual budget for the fiscal year 2020-21.

### **Request for Information**

This financial report is designed to provide a general overview of the City of Watsonville's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrative Services Director, City of Watsonville, and 250 Main Street, Watsonville, CA 95076.

# **BASIC FINANCIAL STATEMENTS**

**CITY OF WATSONVILLE, CALIFORNIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

|   | Primary Government |               |             |
|---|--------------------|---------------|-------------|
|   | Governmental       | Business-type | Total       |
|   | Activities         | Activities    |             |
|   | \$                 | \$            | \$          |
| <b>ASSETS</b>   |                    |               |             |
| Cash and investments                                      | 47,348,451         | 37,469,991    | 84,818,442  |
| Restricted cash   | -                  | 1,383,563     | 1,383,563   |
| Receivables:  |                    |               |             |
| Interest  | 2,202,428          | -             | 2,202,428   |
| Taxes   | 4,590,800          | -             | 4,590,800   |
| Accounts  | 1,579,660          | 4,644,694     | 6,224,354   |
| Intergovernmental   | 2,814,766          | 121,817       | 2,936,583   |
| Internal balances   | (3,344,579)        | 3,344,579     | -           |
| Loans receivable  | 25,196,369         | 576,110       | 25,772,479  |
| Inventories   | 12,100             | 866,112       | 878,212     |
| Deposits  | 60,000             | -             | 60,000      |
| Land held for resale                                      | 150,000            | -             | 150,000     |
| Capital assets (net of depreciation,<br>where applicable) |                    |               |             |
| Land  | 16,467,923         | 14,771,215    | 31,239,138  |
| Buildings and Improvements                                | 76,669,619         | 53,684,053    | 130,353,672 |
| Machinery   | 6,259,268          | 6,655,163     | 12,914,431  |
| Infrastructure  | 10,129,694         | 17,674,535    | 27,804,229  |
| Construction in progress                                  | 3,812,138          | 6,590,360     | 10,402,498  |
| Total Assets  | 193,948,637        | 147,782,192   | 341,730,829 |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                     |                    |               |             |
| Deferred outflow of resources - Pensions                  | 13,506,553         | 3,874,964     | 17,381,517  |
| Total deferred outflow of resources                       | 13,506,553         | 3,874,964     | 17,381,517  |

See accompanying notes to financial statements

Continued

**CITY OF WATSONVILLE, CALIFORNIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

|  | Primary Government |               |             |
|--|--------------------|---------------|-------------|
|  | Governmental       | Business-type | Total       |
|  | Activities         | Activities    |             |
|  | \$                 | \$            | \$          |
| <b>LIABILITIES</b>                                   |                    |               |             |
| Accounts payable                                     | 1,841,844          | 2,434,364     | 4,276,208   |
| Accrued personnel costs                              | 2,193,873          | 892,062       | 3,085,935   |
| Insurance claims payable                             | 4,071,611          | 500,000       | 4,571,611   |
| Interest payable                                     | 43,436             | -             | 43,436      |
| Retentions payable                                   | 23,596             | 216,100       | 239,696     |
| Unearned revenue                                     | 2,218,330          | 104,131       | 2,322,461   |
| Deposits   | 486,521            | 18,879        | 505,400     |
| Noncurrent liabilities                               |                    |               |             |
| Due within one year                                  | 883,165            | 184,784       | 1,067,949   |
| Due in more than one year                            | 67,834,912         | 29,758,429    | 97,593,341  |
| Total Liabilities                                    | 79,597,288         | 34,108,749    | 113,706,037 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                 |                    |               |             |
| Deferred inflow of resources - Pensions              | 2,682,534          | 608,091       | 3,290,625   |
| Total deferred inflow of resources                   | 2,682,534          | 608,091       | 3,290,625   |
| <b>NET POSITION</b>                                  |                    |               |             |
| Net investment in capital assets                     | 109,659,586        | 97,119,487    | 206,779,073 |
| Restricted for:                                      |                    |               |             |
| Debt service   | 238,493            | -             | 238,493     |
| Impact fee   | 6,045,657          | -             | 6,045,657   |
| Housing  | 4,414,262          | -             | 4,414,262   |
| Grants, contributions & fees for<br>specific purpose | 11,529,329         | -             | 11,529,329  |
| Unrestricted   | (6,711,959)        | 19,820,829    | 13,108,870  |
| Total Net Position                                   | 125,175,368        | 116,940,316   | 242,115,684 |

See accompanying notes to financial statements

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CITY OF WATSONVILLE, CALIFORNIA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

| Functions/Programs  | Program Revenues |                      |                                    |                                  | Primary Government      |                          | Total        |
|---|------------------|----------------------|------------------------------------|----------------------------------|-------------------------|--------------------------|--------------|
|   | Expenses         | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities |              |
| Primary Government:   | \$               | \$                   | \$                                 | \$                               | \$                      | \$                       | \$           |
| Governmental activities:                                      |                  |                      |                                    |                                  |                         |                          |              |
| General government  | 13,811,792       | 8,649,245            | 283,117                            | -                                | (4,879,430)             | -                        | (4,879,430)  |
| Public safety   | 35,811,260       | 874,244              | 1,055,976                          | -                                | (33,881,040)            | -                        | (33,881,040) |
| Housing   | 2,059,378        | 781,838              | 231,207                            | -                                | (1,046,333)             | -                        | (1,046,333)  |
| Streets   | 6,930,559        | 798,918              | 2,164,651                          | -                                | (3,966,990)             | -                        | (3,966,990)  |
| Culture and recreation  | 9,850,117        | 832,126              | 2,253,200                          | -                                | (6,764,791)             | -                        | (6,764,791)  |
| Interest on long term debt                                    | 77,969           | -                    | -                                  | -                                | (77,969)                | 38,009                   | (115,978)    |
| Total government activities                                   | 68,541,075       | 11,936,371           | 5,988,151                          | -                                | (50,616,553)            | 38,009                   | (50,654,562) |
| Business-type activities:                                     |                  |                      |                                    |                                  |                         |                          |              |
| Water   | 19,378,355       | 20,483,669           | -                                  | 54,876                           | -                       | 1,160,190                | 1,160,190    |
| Sewer   | 14,099,357       | 14,152,828           | 49,334                             | 108,538                          | -                       | 211,343                  | 211,343      |
| Solid Waste   | 12,566,758       | 14,587,248           | 22,477                             | -                                | -                       | 2,042,967                | 2,042,967    |
| Airport   | 3,802,681        | 3,713,677            | 724,412                            | -                                | -                       | 635,408                  | 635,408      |
| Fiber Optic   | 58,597           | 73,645               | -                                  | -                                | -                       | 15,048                   | 15,048       |
| Total business-type activities                                | 49,905,748       | 53,011,067           | 796,223                            | 163,414                          | -                       | 4,064,956                | 4,064,956    |
| Total primary government                                      | 118,446,823      | 64,947,438           | 6,784,374                          | 163,414                          | (50,616,553)            | 4,026,947                | (46,589,606) |
| General revenues:   |                  |                      |                                    |                                  |                         |                          |              |
| Property taxes  |                  |                      |                                    |                                  | 16,243,253              | -                        | 16,243,253   |
| Sales taxes   |                  |                      |                                    |                                  | 19,074,886              | -                        | 19,074,886   |
| Utility users taxes   |                  |                      |                                    |                                  | 4,264,876               | -                        | 4,264,876    |
| Franchise taxes   |                  |                      |                                    |                                  | 457,883                 | -                        | 457,883      |
| Other taxes   |                  |                      |                                    |                                  | 2,906,389               | -                        | 2,906,389    |
| Intergovernmental revenues not restricted to specific program |                  |                      |                                    |                                  | 1,138,755               | -                        | 1,138,755    |
| Unrestricted investment earnings                              |                  |                      |                                    |                                  | 3,416,137               | 810,668                  | 4,226,805    |
| Transfers   |                  |                      |                                    |                                  | 251,239                 | (251,239)                | -            |
| Total general revenues and transfers                          |                  |                      |                                    |                                  | 47,753,418              | 559,429                  | 48,312,847   |
| Change in net position  |                  |                      |                                    |                                  | (2,863,135)             | 4,586,376                | 1,723,241    |
| Net position - beginning                                      |                  |                      |                                    |                                  | 128,038,503             | 112,353,940              | 240,392,443  |
| Net position - ending   |                  |                      |                                    |                                  | 125,175,368             | 116,940,316              | 242,115,684  |

See accompanying notes to financial statements



CITY OF WATSONVILLE, CALIFORNIA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2020

|  | SPECIAL REVENUE FUNDS |             |            |  |                 |                                |                                |
|--|-----------------------|-------------|------------|--|-----------------|--------------------------------|--------------------------------|
|  | GENERAL               | IMPACT FEES | HOUSING    | REDEVELOPMENT<br>AND HOUSING<br>GRANTS | DEBT<br>SERVICE | OTHER<br>GOVERNMENTAL<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|  | \$                    | \$          | \$         | \$                                     | \$              | \$                             | \$                             |
| ASSETS:  |                       |             |            |  |                 |                                |                                |
| Cash and investments   | 19,800,341            | 5,934,251   | 4,278,085  | 2,297,691                              | 270,116         | 10,657,037                     | 43,237,521                     |
| Receivables:   |                       |             |            |  |                 |                                |                                |
| Interest   | 242,762               | -           | 751,898    | 1,068,760                              | -               | 139,008                        | 2,202,428                      |
| Taxes  | 3,461,110             | -           | -          | -                                      | -               | 1,129,690                      | 4,590,800                      |
| Accounts   | 735,324               | -           | -          | -                                      | 2,330           | 402,733                        | 1,140,387                      |
| Intergovernmental  | 1,988,724             | -           | -          | 305,666                                | -               | 520,376                        | 2,814,766                      |
| Due from other funds   | 654,692               | -           | -          | -                                      | -               | -                              | 654,692                        |
| Advances receivable  | 101,674               | 182,830     | -          | -                                      | -               | 349,462                        | 633,966                        |
| Loans receivable   | 2,292,458             | -           | 9,849,087  | 12,335,365                             | -               | 719,459                        | 25,196,369                     |
| Inventories  | 12,100                | -           | -          | -                                      | -               | -                              | 12,100                         |
| Land held for resale   | -                     | -           | 150,000    | -                                      | -               | -                              | 150,000                        |
| Total Assets   | 29,289,185            | 6,117,081   | 15,029,070 | 16,007,482                             | 272,446         | 13,917,765                     | 80,633,029                     |
| LIABILITIES, DEFERRED INFLOWS OF<br>RESOURCES, AND FUND BALANCES:      |                       |             |            |  |                 |                                |                                |
| Liabilities:   |                       |             |            |  |                 |                                |                                |
| Accounts payable   | 1,064,275             | 67,589      | 4,155      | 156,539                                | 33,953.00       | 456,196                        | 1,782,707                      |
| Accrued personnel costs  | 2,026,060             | -           | 9,504      | 10,365                                 | -               | 147,944                        | 2,193,873                      |
| Retention payable  | 14,559                | 3,835.00    | -          | 5,202                                  | -               | -                              | 23,596                         |
| Due to other funds   | -                     | -           | -          | 195,068                                | -               | 459,624                        | 654,692                        |
| Advances payable   | 3,978,545             | -           | -          | -                                      | -               | -                              | 3,978,545                      |
| Unearned revenue   | -                     | -           | 242,215    | 1,976,115                              | -               | -                              | 2,218,330                      |
| Deposits   | 409,520               | -           | 471        | -                                      | -               | 76,530                         | 486,521                        |
| Total Liabilities  | 7,492,959             | 71,424      | 256,345    | 2,343,289                              | 33,953          | 1,140,294                      | 11,338,264                     |
| Deferred Inflows of Resources  |                       |             |            |  |                 |                                |                                |
| Unavailable revenue  | 5,204,105             | -           | 10,358,463 | 13,709,791                             | -               | 1,202,544                      | 30,474,903                     |
| Total Deferred Inflows of Resources                                    | 5,204,105             | -           | 10,358,463 | 13,709,791                             | -               | 1,202,544                      | 30,474,903                     |
| Fund Balances:   |                       |             |            |  |                 |                                |                                |
| Nonspendable:  |                       |             |            |  |                 |                                |                                |
| Inventories  | 12,100                | -           | -          | -                                      | -               | -                              | 12,100                         |
| Advance receivable   | 101,674               | -           | -          | -                                      | -               | -                              | 101,674                        |
| Restricted for:  |                       |             |            |  |                 |                                |                                |
| Debt service   | -                     | -           | -          | -                                      | 238,493         | -                              | 238,493                        |
| Streets - Impact fees  | -                     | 6,045,657   | -          | -                                      | -               | -                              | 6,045,657                      |
| Housing  | -                     | -           | 4,414,262  | -                                      | -               | -                              | 4,414,262                      |
| Public safety - Narcotics assets seizure                               | -                     | -           | -          | -                                      | -               | 171,798                        | 171,798                        |
| Housing - Business development   | -                     | -           | -          | -                                      | -               | 96,424                         | 96,424                         |
| Housing - Economic development   | -                     | -           | -          | -                                      | -               | 23,724                         | 23,724                         |
| Cultural and recreation - Library                                      | -                     | -           | -          | -                                      | -               | 1,026,412                      | 1,026,412                      |
| Cultural and recreation - Parks development                            | -                     | -           | -          | -                                      | -               | 2,033,803                      | 2,033,803                      |
| General government - Retirement tax                                    | -                     | -           | -          | -                                      | -               | 336,226                        | 336,226                        |
| Public safety - Measure G  | -                     | -           | -          | -                                      | -               | 2,812,330                      | 2,812,330                      |
| Public safety - Abandoned vehicle                                      | -                     | -           | -          | -                                      | -               | 33,492                         | 33,492                         |
| Housing - Inclusionary housing   | -                     | -           | -          | -                                      | -               | 1,664,049                      | 1,664,049                      |
| Streets - SB1 Gas tax  | -                     | -           | -          | -                                      | -               | 1,713,544                      | 1,713,544                      |
| Streets - Measure D  | -                     | -           | -          | -                                      | -               | 2,093,206                      | 2,093,206                      |
| Unassigned   | 16,478,347            | -           | -          | (45,598)                               | -               | (430,081)                      | 16,002,668                     |
| Total Fund Balances  | 16,592,121            | 6,045,657   | 4,414,262  | (45,598)                               | 238,493         | 11,574,927                     | 38,819,862                     |
| Total Liabilities, Deferred Inflows of<br>Resources, and Fund Balances | 29,289,185            | 6,117,081   | 15,029,070 | 16,007,482                             | 272,446         | 13,917,765                     | 80,633,029                     |
| See accompanying notes to financial statements                         |                       |             |            |  |                 |                                |                                |

**CITY OF WATSONVILLE, CALIFORNIA**  
**GOVERNMENTAL FUNDS**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENTS OF NET POSITION**  
**JUNE 30, 2020**

| Amounts Reported For Governmental Activities To The Statement<br>Of Net Position Are Different Because:   |  | \$                 |
|---|--|--------------------|
| Fund Balances Of Governmental Funds. (Page 34)  |  | 38,819,862         |
| Capital Assets (Gross) Used In Governmental Activities Are Not Financial<br>Resources And, Therefore, Are Not Reported In The Funds.  |  | 209,938,939        |
| Accumulated Depreciation Has Not Been Included In The Funds<br>Financial Statements.  |  | (96,600,297)       |
| Internal Service Fund Is Used By Management To Charge The<br>Costs Of Insurances To Individual Funds. The Assets And<br>Liabilities Of The Internal Service Fund Are Included In<br>Governmental Activities In The Statement Of Net Position.   |  | 479,455            |
| Loans, Intergovernmental And Assessment Receivables<br>Recorded As Unavailable Revenue In The Governmental<br>Funds Was Recorded As Revenue On The Statement<br>Of Activities.  |  | 30,474,903         |
| Interest Payable Is Not Due And Payable In The Current Period And<br>Therefore Not Reported In Governmental Funds.  |  | (43,436)           |
| Long-term Liability Is Not Due And Payable In The Current Period And<br>Therefore Not Reported In Governmental Funds.   |  | (68,718,077)       |
| Deferred Outflows And Inflows Of Resources Relating To Pensions: In Governmental<br>Funds, Deferred Outflows And Inflows Of Resources Relating To Pensions Are Not<br>Reported Because They Are Applicable To Future Periods. In The Statement Of Net<br>Position, Deferred Outflows And Inflows Of Resources Relating To Pensions Are<br>Reported. |  |                    |
| Deferred Outflows Of Resources Relating<br>To Pensions  |  | 13,506,553         |
| Deferred Inflows Of Resources Relating<br>To Pensions   |  | (2,682,534)        |
| Total Net Position - Governmental Activities  |  | <u>125,175,368</u> |

See accompanying notes to financial statements

**CITY OF WATSONVILLE, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

|  | SPECIAL REVENUE FUNDS |             |           |  |                 |                                | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|--|-----------------------|-------------|-----------|--|-----------------|--------------------------------|--------------------------------|
|  | GENERAL               | IMPACT FEES | HOUSING   | REDEVELOPMENT<br>AND HOUSING<br>GRANTS | DEBT<br>SERVICE | OTHER<br>GOVERNMENTAL<br>FUNDS |                                |
|  | \$                    | \$          | \$        | \$                                     | \$              | \$                             | \$                             |
| REVENUES:  |                       |             |           |  |                 |                                |                                |
| Taxes  | 30,265,864            | -           | -         | -                                      | -               | 11,763,106                     | 42,028,970                     |
| Licenses, permits, and fees                                  | 4,326,047             | 436,069     | -         | -                                      | -               | 553,142                        | 5,315,258                      |
| Intergovernmental  | 3,696,130             | -           | -         | 1,068,188                              | -               | 4,403,196                      | 9,167,514                      |
| Charges for services   | 3,518,050             | -           | -         | -                                      | -               | 16,189                         | 3,534,239                      |
| Fines  | 671,565               | -           | -         | -                                      | -               | -                              | 671,565                        |
| Interest   | 2,863,834             | 149,848     | 41,024    | 15,699                                 | -               | 209,406                        | 3,279,811                      |
| Special assessment   | -                     | -           | -         | -                                      | 46,961          | -                              | 46,961                         |
| Miscellaneous  | 1,722,526             | -           | 751,349   | 671,818                                | 59,510          | 621,058                        | 3,826,261                      |
| Total revenues   | 47,064,016            | 585,917     | 792,373   | 1,755,705                              | 106,471         | 17,566,097                     | 67,870,579                     |
| EXPENDITURES:  |                       |             |           |  |                 |                                |                                |
| Current:   |                       |             |           |  |                 |                                |                                |
| General government   | 11,115,028            | -           | -         | -                                      | -               | 215,088                        | 11,330,116                     |
| Public safety  | 26,074,152            | -           | -         | -                                      | -               | 4,468,238                      | 30,542,390                     |
| Housing  | -                     | -           | 345,942   | 1,351,535                              | -               | 361,901                        | 2,059,378                      |
| Streets  | 4,771,141             | 265,244     | -         | -                                      | -               | 3,874,399                      | 8,910,784                      |
| Culture and recreation                                       | 5,177,931             | -           | -         | -                                      | -               | 3,898,132                      | 9,076,063                      |
| Debt service:  |                       |             |           |  |                 |                                |                                |
| Principal  | -                     | -           | -         | -                                      | 797,318         | -                              | 797,318                        |
| Interest and fiscal charges                                  | -                     | -           | -         | -                                      | 82,125          | -                              | 82,125                         |
| Total expenditures   | 47,138,252            | 265,244     | 345,942   | 1,351,535                              | 879,443         | 12,817,758                     | 62,798,174                     |
| Excess (deficiency) of revenues over<br>(under) expenditures | (74,236)              | 320,673     | 446,431   | 404,170                                | (772,972)       | 4,748,339                      | 5,072,405                      |
| OTHER FINANCING SOURCES (USES)                               |                       |             |           |  |                 |                                |                                |
| Issuance of debt   | 144,201               | -           | -         | -                                      | -               | -                              | 144,201                        |
| Transfers in   | 3,636,287             | -           | 98,513    | -                                      | 882,619         | 132,988                        | 4,750,407                      |
| Transfers out  | (381,094)             | (5,000)     | -         | (268,702)                              | -               | (3,880,330)                    | (4,535,126)                    |
| Total other financing sources (uses)                         | 3,399,394             | (5,000)     | 98,513    | (268,702)                              | 882,619         | (3,747,342)                    | 359,482                        |
| Net change in fund balances                                  | 3,325,158             | 315,673     | 544,944   | 135,468                                | 109,647         | 1,000,997                      | 5,431,887                      |
| Fund balances, July 1  | 13,266,963            | 5,729,984   | 3,869,318 | (181,066)                              | 128,846         | 10,573,930                     | 33,387,975                     |
| Fund balances, June 30                                       | 16,592,121            | 6,045,657   | 4,414,262 | (45,598)                               | 238,493         | 11,574,927                     | 38,819,862                     |

See accompanying notes to financial statements

**CITY OF WATSONVILLE, CALIFORNIA**  
**GOVERNMENTAL FUNDS**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

|  | <u>\$</u>                 |
|--|---------------------------|
| Amounts Reported For Governmental Activities In The Statement<br>Of Activities Are Different Because:  |                           |
| Net Change In Fund Balance - Total Governmental Funds (Page 38)  | 5,431,887                 |
| Capital Assets Transactions  |                           |
| Governmental Funds Report Capital Outlay As Expenditures   |                           |
| However the cost of those assets is capitalized in the Statement of Activities   |                           |
| and allocated over their estimated useful lives and reported as depreciation expense.  |                           |
| The capital outlay expenditures are therefore added back to fund balance   | 4,675,811                 |
| Depreciation Expense is deducted from the fund balance   | (5,653,281)               |
| Long-Term Debt Proceeds and Payments   |                           |
| Debt and lease proceeds provide current Financial Resources To Governmental Funds  |                           |
| but increases long-term liabilities in the Statement of Net Positions.   |                           |
| The Repayment Of the Principal is an expenditure in the governmental funds,  |                           |
| but in the Statement of Net Position the repayment reduces long-term liabilities.  |                           |
| Proceeds from issuance of long term debt and leases  | (144,201)                 |
| Repayment of Principal   | 797,318                   |
| Accrual of Non-Current Items   |                           |
| The amounts below included in the Statement of Activities do not provide or (require) the use of   |                           |
| current financial resources and therefore are not reported as revenue or expenditures in   |                           |
| governmental funds (net change):   |                           |
| Non-current portion of Compensated Absences  | (269,957)                 |
| Net pension liabilities and pension-related deferred outflows/inflows of resources   | (5,180,957)               |
| Net opeb liability   | (115,991)                 |
| Unavailable revenue  | (1,796,284)               |
| Internal Service Funds Are Used By Management To Charge The Costs<br>Of Insurance To Individual Funds.   | (611,637)                 |
| Interest Expense Reported In The Statement Of Activities Does Not Require<br>The Use Of Current Financial Resources And, Therefore Is<br>Not Reported As An Expenditure In Governmental Funds. | <u>4,157</u>              |
| Change In Net Position Of Governmental Funds. (Page 35)  | <u><u>(2,863,135)</u></u> |
| See accompanying notes to financial statements   |                           |

**CITY OF WATSONVILLE, CALIFORNIA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

|  | Budgeted Amounts         |                          |                          | Variance With<br>Final Budget -<br>Positive<br>(Negative) |
|--|--------------------------|--------------------------|--------------------------|---|
|  | Original                 | Final                    | Actual                   |   |
|  | \$                       | \$                       | \$                       | \$  |
| <b>REVENUES:</b>   |                          |                          |                          |   |
| Taxes  | 28,510,384               | 28,510,384               | \$30,265,864             | 1,755,480   |
| Licenses, permits, and fees                                  | 4,394,582                | 4,394,582                | 4,326,047                | (68,535)  |
| Intergovernmental  | 4,481,239                | 4,481,239                | 3,696,130                | (785,109)   |
| Charges for services   | 3,633,388                | 3,633,388                | 3,518,050                | (115,338)   |
| Fines  | 781,000                  | 781,000                  | 671,565                  | (109,435)   |
| Interest   | 2,622,895                | 2,622,895                | 2,863,834                | 240,939   |
| Miscellaneous  | 857,551                  | 857,551                  | 1,722,526                | 864,975   |
| Total revenues   | <u>45,281,039</u>        | <u>45,281,039</u>        | <u>47,064,016</u>        | <u>1,782,977</u>  |
| <b>EXPENDITURES:</b>   |                          |                          |                          |   |
| Current:   |                          |                          |                          |   |
| General government   | 11,800,588               | 11,900,151               | 11,115,028               | 785,123   |
| Public safety  | 26,086,260               | 27,162,742               | 26,074,152               | 1,088,590   |
| Streets  | 3,606,268                | 6,176,976                | 4,771,141                | 1,405,835   |
| Culture and recreation                                       | 4,957,649                | 6,511,738                | 5,177,931                | 1,333,807   |
| Total expenditures   | <u>46,450,765</u>        | <u>51,751,607</u>        | <u>47,138,252</u>        | <u>4,613,355</u>  |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>(1,169,726)</u>       | <u>(6,470,568)</u>       | <u>(74,236)</u>          | <u>6,396,332</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                          |                          |                          |   |
| Note proceeds  | -                        | -                        | 144,201                  | 144,201   |
| Transfers in   | 116,596                  | 4,580,910                | 3,636,287                | (944,623)   |
| Transfers out  | <u>(135,039)</u>         | <u>(398,731)</u>         | <u>(381,094)</u>         | <u>-</u>  |
| Total other financing sources (uses)                         | <u>(18,443)</u>          | <u>4,182,179</u>         | <u>3,399,394</u>         | <u>(800,422)</u>  |
| Net change in fund balance                                   | <u>(1,188,169)</u>       | <u>(2,288,389)</u>       | <u>3,325,158</u>         | <u>5,595,910</u>  |
| Fund balance, July 1   | <u>13,266,963</u>        | <u>13,266,963</u>        | <u>13,266,963</u>        | <u>-</u>  |
| Fund balance, June 30  | <u><u>12,078,794</u></u> | <u><u>10,978,574</u></u> | <u><u>16,592,121</u></u> | <u><u>5,595,910</u></u>                                   |

See accompanying notes to financial statements

**CITY OF WATSONVILLE, CALIFORNIA**  
**IMPACT FEES FUND**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

|  | Budgeted Amounts |             | Actual    | Variance With<br>Final Budget -<br>Positive<br>(Negative) |
|--|------------------|-------------|-----------|---|
|  | Original         | Final       |           |   |
|  | \$               | \$          | \$        | \$  |
| REVENUES:  |                  |             |           |   |
| Licenses, permits, and fees                                  | 228,000          | 228,000     | 436,069   | 208,069   |
| Interest   | 79,600           | 79,600      | 149,848   | 70,248  |
| Total revenues   | 307,600          | 307,600     | 585,917   | 278,317   |
| EXPENDITURES:  |                  |             |           |   |
| Current:   |                  |             |           |   |
| Streets  | 1,507,449        | 1,507,449   | 265,244   | 1,242,205   |
| Total expenditures   | 1,507,449        | 1,507,449   | 265,244   | 1,242,205   |
| Excess (deficiency) of revenues over<br>(under) expenditures | (1,199,849)      | (1,199,849) | 320,673   | 1,520,522   |
| OTHER FINANCING SOURCES (USES)                               |                  |             |           |   |
| Transfers out  | (5,000)          | (5,000)     | (5,000)   | -   |
| Total other financing sources (uses)                         | (5,000)          | (5,000)     | (5,000)   | -   |
| Net change in fund balance                                   | (1,204,849)      | (1,204,849) | 315,673   | 1,520,522   |
| Fund balance, July 1   | 5,729,984        | 5,729,984   | 5,729,984 | -   |
| Fund balance, June 30  | 4,525,135        | 4,525,135   | 6,045,657 | 1,520,522   |

See accompanying notes to financial statements

**CITY OF WATSONVILLE, CALIFORNIA**  
**HOUSING FUND**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

|  | Budgeted Amounts |           |           | Variance With<br>Final Budget -<br>Positive<br>(Negative) |
|--|------------------|-----------|-----------|---|
|  | Original         | Final     | Actual    |   |
|  | \$               | \$        | \$        | \$  |
| REVENUES:  |                  |           |           |   |
| Interest   | 15,000           | 15,000    | 41,024    | 26,024  |
| Miscellaneous  | 250,000          | 250,000   | 751,349   | 501,349   |
| Total revenues   | 265,000          | 265,000   | 792,373   | 527,373   |
| EXPENDITURES:  |                  |           |           |   |
| Current:   |                  |           |           |   |
| Housing  | 551,988          | 532,111   | 345,942   | 186,169   |
| Total expenditures   | 551,988          | 532,111   | 345,942   | 186,169   |
| Excess (deficiency) of revenues over<br>(under) expenditures | (286,988)        | (267,111) | 446,431   | 713,542   |
| OTHER FINANCING SOURCES (USES)                               |                  |           |           |   |
| Transfers In   | 95,039           | 95,039    | 98,513    | 3,474   |
| Total other financing sources (uses)                         | 95,039           | 95,039    | 98,513    | 3,474   |
| Net change in fund balance                                   | (191,949)        | (172,072) | 544,944   | 717,016   |
| Fund balance, July 1   | 3,869,318        | 3,869,318 | 3,869,318 | -   |
| Fund balance, June 30  | 3,677,369        | 3,697,246 | 4,414,262 | 717,016   |

See accompanying notes to financial statements

**CITY OF WATSONVILLE, CALIFORNIA**  
**REDEVELOPMENT AND HOUSING GRANTS**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

|  | Budgeted Amounts |             |             | Variance With<br>Final Budget -<br>Positive<br>(Negative) |
|--|------------------|-------------|-------------|---|
|  | Original         | Final       | Actual      |   |
|  | \$               | \$          | \$          | \$  |
| REVENUES:  |                  |             |             |   |
| Intergovernmental  | 1,834,684        | 1,834,684   | 1,740,006   | (94,678)  |
| Interest   | 15,699           | 15,699      | 15,699      | -   |
| Total revenues   | 1,850,383        | 1,850,383   | \$1,755,705 | (94,678)  |
| EXPENDITURES:  |                  |             |             |   |
| Housing  | 2,410,929        | 2,410,929   | 1,351,535   | 1,059,394   |
| Total expenditures   | 2,410,929        | 2,410,929   | 1,351,535   | 1,059,394   |
| Excess (deficiency) of revenues over<br>(under) expenditures | (560,546)        | (560,546)   | 404,170     | (1,154,072)   |
| OTHER FINANCING SOURCES (USES):                              |                  |             |             |   |
| Transfers out  | (268,702)        | (268,702)   | (268,702)   | -   |
| Total other financing sources (uses)                         | (268,702)        | (268,702)   | (268,702)   | -   |
| Net change in fund balance                                   | (829,248)        | (829,248)   | 135,468     | (1,154,072)   |
| Fund balance, July 1   | (181,066)        | (181,066)   | (181,066)   | -   |
| Fund balance, June 30  | (1,010,314)      | (1,010,314) | (45,598)    | (1,154,072)   |

See accompanying notes to financial statements



**CITY OF WATSONVILLE, CALIFORNIA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

|   | Business-type Activities -<br>Enterprise Funds |              |             |              |             | Governmental<br>Activities -<br>Internal Service<br>Fund |
|---|--|--------------|-------------|--------------|-------------|--|
|   | WATER  | SEWER        | SOLID WASTE | AIRPORT      | FIBER OPTIC | TOTALS   |
|   | \$   | \$           | \$          | \$           | \$          | \$   |
| <b>ASSETS</b>   |  |              |             |              |             |  |
| Current Assets:   |  |              |             |              |             |  |
| Cash and investments                                      | 20,922,426                                     | 6,945,784    | 8,828,497   | 565,192      | 208,092     | 37,469,991   |
| Cash and investments with fiscal agent                    | -  | -            | -           | -            | -           | -  |
| Restricted cash   | -  | 1,383,563    | -           | -            | -           | 1,383,563  |
| Receivables:  |  |              |             |              |             |  |
| Accounts  | 1,359,704                                      | 2,611,876    | 618,507     | 54,607       | -           | 4,644,694  |
| Intergovernmental   | -  | -            | 9,665       | 112,152      | -           | 121,817  |
| Loans receivable  | -  | 576,110      | -           | -            | -           | 576,110  |
| Deposits  | -  | -            | -           | -            | -           | -  |
| Inventories   | 810,964  | -            | 1,209       | 53,939       | -           | 866,112  |
| Total Current Assets                                      | 23,093,094                                     | 11,517,333   | 9,457,878   | 785,890      | 208,092     | 45,062,287   |
| Noncurrent Assets   |  |              |             |              |             |  |
| Advances receivable                                       | 3,222,642                                      | 621,501      | 185,900     | 21,465       | -           | 4,051,508  |
| Loan receivable   | -  | -            | -           | -            | -           | -  |
| Capital assets:   |  |              |             |              |             |  |
| Land and improvements                                     | 259,333  | 8,375,598    | 1,769,401   | 4,366,883    | -           | 14,771,215   |
| Buildings   | 48,497,149                                     | 30,682,037   | 1,844,609   | 9,160,742    | -           | 90,184,537   |
| Machinery and equipment                                   | 6,704,067                                      | 6,200,532    | 11,410,276  | 311,276      | -           | 24,626,151   |
| Vehicles  | -  | -            | -           | 91,700       | -           | 91,700   |
| Infrastructure  | 13,476,134                                     | 42,823,293   | -           | 7,966,694    | 706,929     | 64,973,050   |
| Construction in progress                                  | 1,283,805                                      | 5,306,555    | -           | -            | -           | 6,590,360  |
| Accumulated depreciation                                  | (31,036,651)                                   | (49,810,733) | (9,606,087) | (11,263,885) | (144,331)   | (101,861,687)  |
| Total Capital Assets (Net of<br>accumulated depreciation) | 39,183,837                                     | 43,577,282   | 5,418,199   | 10,633,410   | 562,598     | 99,375,326   |
| Total Noncurrent Assets                                   | 42,406,479                                     | 44,198,783   | 5,604,099   | 10,654,875   | 562,598     | 103,426,834  |
| Total Assets  | 65,499,573                                     | 55,716,116   | 15,061,977  | 11,440,765   | 770,690     | 148,489,121  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                     |  |              |             |              |             |  |
| Deferred outflow of resources - pension                   | 1,062,888                                      | 1,737,101    | 828,189     | 246,786      | -           | 3,874,964  |
| Total deferred outflow of resources                       | 1,062,888                                      | 1,737,101    | 828,189     | 246,786      | -           | 3,874,964  |
| <b>LIABILITIES</b>  |  |              |             |              |             |  |
| Current Liabilities:                                      |  |              |             |              |             |  |
| Accounts payable  | 1,306,341                                      | 883,440      | 174,183     | 70,400       | -           | 2,434,364  |
| Accrued personnel costs                                   | 218,921  | 392,924      | 218,309     | 61,908       | -           | 892,062  |
| Insurance claims payable                                  | 250,000  | -            | -           | 250,000      | -           | 500,000  |
| Interest payable  | -  | -            | -           | -            | -           | -  |
| Retention payable   | 2,783  | 213,317      | -           | -            | -           | 216,100  |
| Customer deposits   | 18,879   | -            | -           | -            | -           | 18,879   |
| Due to other funds  | -  | -            | -           | -            | -           | -  |
| Unearned revenue  | -  | -            | 25,116      | 32,559       | 46,456      | 104,131  |
| Current maturities of long term debt:                     |  |              |             |              |             |  |
| Compensated absences                                      | 11,428   | 23,130       | 12,571      | 2,662        | -           | 49,791   |
| Liability for landfill closure                            | -  | -            | -           | -            | -           | -  |
| Revenue bonds   | -  | -            | -           | -            | -           | -  |
| Note payable  | 14,511   | 29,760       | 1,458       | 23,037       | -           | 68,766   |
| Loan payable  | -  | 66,227       | -           | -            | -           | 66,227   |
| Total Current Liabilities                                 | 1,822,863                                      | 1,608,798    | 431,637     | 440,566      | 46,456      | 4,350,320  |
| Noncurrent Liabilities:                                   |  |              |             |              |             |  |
| Advance payable   | -  | -            | -           | -            | 706,929     | 706,929  |
| Compensated absences                                      | 179,043  | 362,362      | 196,942     | 41,708       | -           | 780,055  |
| Net OPEB liability  | 395,427  | 553,540      | 461,290     | 105,439      | -           | 1,515,696  |
| Liability for landfill closure                            | -  | -            | 3,698,421   | -            | -           | 3,698,421  |
| Net pension liability                                     | 6,091,025                                      | 9,954,693    | 4,746,052   | 1,414,239    | -           | 22,206,009   |
| Note payable  | 44,603   | 83,207       | 6,802       | 120,943      | -           | 255,555  |
| Loan payable  | -  | 1,302,693    | -           | -            | -           | 1,302,693  |
| Total Noncurrent Liabilities                              | 6,710,098                                      | 12,256,495   | 9,109,507   | 1,682,329    | 706,929     | 30,465,358   |
| Total Liabilities   | 8,532,961                                      | 13,865,293   | 9,541,144   | 2,122,895    | 753,385     | 34,815,678   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                      |  |              |             |              |             |  |
| Deferred inflow of resources - pension                    | 166,797  | 272,600      | 129,966     | 38,728       | -           | 608,091  |
| Total deferred inflow of resources                        | 166,797  | 272,600      | 129,966     | 38,728       | -           | 608,091  |
| <b>Net Position</b>                                       |  |              |             |              |             |  |
| Net investment in capital assets                          | 39,124,723                                     | 42,095,395   | 5,409,939   | 10,489,430   | -           | 97,119,487   |
| Unrestricted  | 18,737,980                                     | 1,219,929    | 809,117     | (963,502)    | 17,305      | 19,820,829   |
| Total Net Position  | 57,862,703                                     | 43,315,324   | 6,219,056   | 9,525,928    | 17,305      | 116,940,316  |

See accompanying notes to financial statements

**CITY OF WATSONVILLE, CALIFORNIA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

|  | Business-type Activities -<br>Enterprise Funds |              |             |           |             |             | Governmental<br>Activities -<br>Internal Service<br>Fund |
|--|--|--------------|-------------|-----------|-------------|-------------|--|
|  | WATER  | SEWER        | SOLID WASTE | AIRPORT   | FIBER OPTIC | TOTALS      |  |
|  | \$   | \$           | \$          | \$        | \$          | \$          | \$   |
| OPERATING REVENUES:                          |  |              |             |           |             |             |  |
| Charges for services                         | 20,483,669                                     | \$14,152,828 | 14,587,248  | 3,713,677 | 73,645      | 53,011,067  | 12,271,120   |
| Total Operating Revenues                     | 20,483,669                                     | 14,152,828   | 14,587,248  | 3,713,677 | 73,645      | 53,011,067  | 12,271,120   |
| OPERATING EXPENSES:                          |  |              |             |           |             |             |  |
| Costs of sales and services                  | 17,776,770                                     | 12,652,581   | 11,957,432  | 3,449,196 | 23,251      | 45,859,230  | 12,973,778   |
| Depreciation                                 | 1,601,585                                      | 1,446,776    | 609,326     | 353,485   | 35,346      | 4,046,518   | -  |
| Total Operating Expenses                     | 19,378,355                                     | 14,099,357   | 12,566,758  | 3,802,681 | 58,597      | 49,905,748  | 12,973,778   |
| Operating Income (Loss)                      | 1,105,314                                      | 53,471       | 2,020,490   | (89,004)  | 15,048      | 3,105,319   | (702,658)  |
| NONOPERATING REVENUES<br>(EXPENSES)          |  |              |             |           |             |             |  |
| Grant revenues                               | -  | 49,334       | 22,477      | 724,412   | -           | 796,223     | -  |
| Interest revenues                            | 357,867  | 266,165      | 179,514     | 1,013     | 6,109       | 810,668     | 55,063   |
| Interest expenses                            | (16,361)                                       | (21,648)     | -           | -         | -           | (38,009)    | -  |
| Total Nonoperating Revenues<br>(expenses)    | 341,506  | 293,851      | 201,991     | 725,425   | 6,109       | 1,568,882   | 55,063   |
| Income Before Contributions and<br>Transfers | 1,446,820                                      | 347,322      | 2,222,481   | 636,421   | 21,157      | 4,674,201   | (647,595)  |
| Capital contributions -<br>Connection fees   | 54,876   | 108,538      | -           | -         | -           | 163,414     | -  |
| Transfers in                                 | -  | -            | -           | -         | -           | -           | 35,958   |
| Transfers out                                | (27,119)                                       | (174,364)    | (44,711)    | (5,045)   | -           | (251,239)   | -  |
| Changes in Net Position                      | 1,474,577                                      | 281,496      | 2,177,770   | 631,376   | 21,157      | 4,586,376   | (611,637)  |
| Total Net Position- Beginning                | 56,388,126                                     | 43,033,828   | 4,041,286   | 8,894,552 | (3,852)     | 112,353,940 | 1,091,092  |
| Total Net Position - Ending                  | 57,862,703                                     | 43,315,324   | 6,219,056   | 9,525,928 | 17,305      | 116,940,316 | 479,455  |

See accompanying notes to financial statements

**CITY OF WATSONVILLE, CALIFORNIA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

|   | Business-type Activities -<br>Enterprise Funds |             |             |             |             | Governmental<br>Activities -<br>Internal Service<br>Fund |
|---|--|-------------|-------------|-------------|-------------|--|
|   | WATER  | SEWER       | SOLID WASTE | AIRPORT     | FIBER OPTIC | TOTALS   |
|   | \$   | \$          | \$          | \$          | \$          | \$   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |  |             |             |             |             |  |
| Receipts from customers and users   | 19,891,794                                     | 14,018,051  | 14,336,413  | 4,275,812   | 121,529     | 52,643,599   |
| Receipts from interfund services provided   | -  | -           | -           | -           | -           | -  |
| Payments to suppliers   | (7,443,617)                                    | (3,917,655) | (8,557,166) | (3,244,995) | (28,101)    | (23,191,534)   |
| Payments to employees   | (5,992,216)                                    | (7,397,744) | (3,966,698) | -           | -           | (17,356,658)   |
| Receipt for interfund services used   | 390,517  | 215,748     | 38,888      | -           | -           | 645,153  |
| Net cash provided (used) by operating activities  | 6,846,478                                      | 2,918,400   | 1,851,437   | 1,030,817   | 93,428      | 12,740,560   |
| <b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>   |  |             |             |             |             |  |
| Grant revenue   | -  | 49,334      | 22,477      | 724,412     | -           | 796,223  |
| Transfers from (to) other funds   | (27,119)                                       | (174,364)   | (44,711)    | (5,045)     | -           | (251,239)  |
| Net cash provided (used) by noncapital financing activities   | (27,119)                                       | (125,030)   | (22,234)    | 719,367     | -           | 544,984  |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                       |  |             |             |             |             |  |
| Acquisition of capital assets   | (1,170,208)                                    | (7,041,485) | (1,408,407) | (1,175,689) | -           | (10,795,789)   |
| Connection fees   | 54,876   | 108,538     | -           | -           | -           | 163,414  |
| Proceeds from issuance of notes payable   | 11,941   | 135,676     | 3,680       | -           | -           | 151,297  |
| Principal paid on long term debt  | (7,256)  | (78,637)    | (850)       | (10,616)    | -           | (97,359)   |
| Interest paid on long term debt   | (16,361)                                       | (21,648)    | -           | -           | -           | (38,009)   |
| Net cash provided (used) by capital and related financing activities                                  | (1,127,008)                                    | (6,897,556) | (1,405,577) | (1,186,305) | -           | (10,616,446)   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |  |             |             |             |             |  |
| Interest received   | 357,867  | 266,165     | 179,514     | 1,013       | 6,109       | 810,668  |
| Net cash provided (used) by investment activities   | 357,867  | 266,165     | 179,514     | 1,013       | 6,109       | 810,668  |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>   | 6,050,218                                      | (3,838,021) | 603,140     | 564,892     | 99,537      | 3,479,766  |
| <b>CASH AND CASH EQUIVALENTS, JULY 1</b>  | 14,872,208                                     | 12,167,368  | 8,225,357   | 300         | 108,555     | 35,373,788   |
| <b>CASH AND CASH EQUIVALENTS, JUNE 30</b>   | 20,922,426                                     | 8,329,347   | 8,828,497   | 565,192     | 208,092     | 38,853,554   |
| <b>Reconciliation of Statement of Net Position:</b>   |  |             |             |             |             |  |
| Cash and investments  | 20,922,426                                     | 6,945,784   | 8,828,497   | 565,192     | 208,092     | 37,469,991   |
| Restricted cash   | -  | 1,383,563   | -           | -           | -           | 1,383,563  |
|   | 20,922,426                                     | 8,329,347   | 8,828,497   | 565,192     | 208,092     | 38,853,554   |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |  |             |             |             |             |  |
| Operating Income (loss)   | 1,105,314                                      | 53,471      | 2,020,490   | (89,004)    | 15,048      | 3,105,319  |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |  |             |             |             |             |  |
| Depreciation  | 1,601,585                                      | 1,446,776   | 609,326     | 353,485     | 35,346      | 4,046,518  |
| (Increase) decrease in receivables  | (601,012)                                      | (278,331)   | (253,940)   | (19,177)    | 44,047      | (1,108,413)  |
| (Increase) decrease in inventories  | (88,832)                                       | -           | 765         | 22,768      | -           | (65,299)   |
| (Increase) decrease in loans receivable   | -  | 82,260      | -           | -           | -           | 82,260   |
| (Increase) decrease in due from other governments   | 9,137  | 128,941     | (7,257)     | 558,054     | -           | 688,875  |
| (Increase) decrease in advances receivable  | 390,517  | 215,748     | 38,888      | -           | -           | -  |
| (Increase) decrease in deferred outflows  | (89,228)                                       | 121,205     | 268,992     | 45,389      | -           | 346,358  |
| Increase (decrease) in pension liability  | 1,255,493                                      | 725,707     | (702,925)   | (36,803)    | -           | 1,241,472  |
| Increase (decrease) in accounts payable   | 2,979,915                                      | 255,295     | (182,014)   | (69,837)    | (4,850)     | 2,978,509  |
| Increase (decrease) in claims payable   | 250,000  | -           | -           | 250,000     | -           | 500,000  |
| Increase (decrease) in accrued personnel costs  | 34,070   | 184,335     | 21,675      | 29,979      | -           | 270,059  |
| Increase (decrease) in retentions payable   | 2,783  | 28,347      | -           | (37,695)    | -           | (6,565)  |
| Increase (decrease) in liability for landfill closure   | -  | -           | 37,401      | -           | -           | 37,401   |
| Increase (decrease) in unearned revenue   | -  | (67,647)    | 10,362      | 23,258      | 3,837       | (30,190)   |
| Increase (decrease) in customer deposits  | (44,787)                                       | -           | -           | -           | -           | (44,787)   |
| Increase (decrease) in net opeb liabilities   | 22,024   | 30,822      | 25,692      | 5,873       | -           | 84,411   |
| Increase (decrease) in deferred inflows   | 19,499   | (8,529)     | (36,018)    | (5,473)     | -           | (30,521)   |
| Total adjustments   | 5,741,164                                      | 2,864,929   | (169,053)   | 1,119,821   | 78,380      | 8,990,088  |
| Net cash provided (used) by operating activities  | 6,846,478                                      | 2,918,400   | 1,851,437   | 1,030,817   | 93,428      | 12,740,560   |
| <b>NONCASH TRANSACTIONS</b>   |  |             |             |             |             |  |
| Retirement of capital assets  | \$(2,399,886)                                  | -           | -           | (\$105,910) | -           | (\$2,505,796)  |
| Landfill post closure liability amortization  | -  | -           | \$145,493   | -           | -           | 145,493  |
| Landfill usage amortization   | -  | -           | 59,920      | -           | -           | 59,920   |

See accompanying notes to financial statements

CITY OF WATSONVILLE, CALIFORNIA  
SUCCESSION AGENCY PRIVATE PURPOSE TRUST FUND  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2020

| ASSETS                                 | \$                 |
|--|--------------------|
| Cash and Investments                   | 2,339,785          |
| Cash and Investments with Fiscal Agent | 1,692,460          |
| Notes receivable                       | 268,825            |
| Total Assets                           | <u>4,301,070</u>   |
| DEFERRED OUTFLOW OF RECOURSES          |                    |
| Deferred Loss on Refunding             | 191,117            |
| Total Deferred Outflow of Resources    | <u>191,117</u>     |
| LIABILITIES                            |                    |
| Current Liabilities:                   |                    |
| Accounts Payable                       | 4,276              |
| Salaries Payable                       | 919                |
| Interest Payable                       | 176,422            |
| Notes Payable                          | 900,000            |
| Refunding Bonds Payable                | 1,265,000          |
| Total Current Liabilities              | <u>2,346,617</u>   |
| Noncurrent liabilities:                |                    |
| Net OPEB Liability                     | 64,461             |
| Notes Payable                          | 1,382,431          |
| Refunding Bonds Payable                | 9,419,469          |
| Total Non Current liabilities          | <u>10,866,361</u>  |
| Total Liabilities                      | <u>13,212,978</u>  |
| Net Position                           |                    |
| Unrestricted                           | (8,720,791)        |
| Total Net Position                     | <u>(8,720,791)</u> |

See accompanying notes to financial statements

CITY OF WATSONVILLE, CALIFORNIA  
 SUCCESSOR AGENCY PRIVATE PURPOSE TRUST FUND  
 STATEMENT OF CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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|                        |                           |
|------------------------|---------------------------|
| ADDITIONS:             | \$                        |
| Intergovernmental      | 1,634,303                 |
| Interest               | 8,339                     |
| Amortization           | <u>86,394</u>             |
| Total Additions        | <u>1,729,036</u>          |
| DEDUCTIONS:            |                           |
| Administration         | 225,798                   |
| Interest               | <u>478,769</u>            |
| Total Deductions       | <u>704,567</u>            |
| Change in Net Position | 1,024,469                 |
| Net Position, July 1   | <u>(9,745,260)</u>        |
| Net Position, June 30  | <u><u>(8,720,791)</u></u> |

See accompanying notes to financial statements

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**A. Reporting entity**

The City of Watsonville, California was incorporated in 1868 as a charter city and operates under the Council-Manager form of government. The City provides the following services: public safety (police, fire and building inspections), highway and streets, water, sewer and solid waste services, airport, public improvements, planning and zoning, housing and general administration.

**B. Government-wide and fund 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 activities of the primary government except for the Fiduciary fund type – Private Purpose Trust Fund. 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, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues 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 not properly included among programs revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**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, as are the proprietary funds and special purpose trust fund financial statements. 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 provider have been met.

Governmental funds 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.

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been 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 government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the government, except those required to be accounted for in another fund.

The Impact Fees Fund is assessed at the time of development and is used to mitigate certain increased costs incurred by the government as development occurs. These funds are then used to increase the capacity of roads, build fire stations, public safety equipment, or other governmental facilities. The receipt and disbursement of these fees are recorded in this fund.

The Housing Fund is used for low and moderate-income housing projects. The fund is funded by old 20% Redevelopment Agency's housing loans monthly payments and with loan payoffs.

The Redevelopment and Housing Grants Fund provides assistance to low and moderate-income individuals via grants. These grants offer a number of housing programs to help low to moderate income Watsonville residents improve their housing condition.

The General Debt Service Fund receives funds for the payment of governmental debt of the government.

The government reports the following major proprietary funds:

The Water Fund records the receipts of revenues for water services and records the associated expenses or capital investment. The water service provides water to Watsonville and the surrounding communities, which has a service population of approximately 50,000.

The Sewer Fund records the activity of the government's wastewater treatment plant and collection system. The fund also provides waste treatment services to other local sanitary districts, namely Freedom, Salsipuedes, and Pajaro Utility Districts. Thus, the wastewater plant services some 55,000 residents.

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

The Solid Waste Fund records the activities of refuse collection, recycling, and landfill operations. The landfill is located near the County landfill and is used only by the citizens of the City of Watsonville.

The Airport Fund represents the activities at the airport and the receipts of Federal Aviation Agency (FAA) grants. The fund is to be supported by the fees the airport collects from fuel sales and facility use fees. The FAA provides substantial grant income for general airport improvements.

The Fiber Optic Fund records the activities of the City's new fiber optic system installed. The fund receives payments for use of the system.

Additionally, the government reports the following fund types:

The Internal Service Fund is used to account for financing of insurance services (workers compensation, general liability and health benefits) provided to other government funds and departments on a cost reimbursement basis.

The Private Purpose Trust Fund is used to account for the transactions of the Successor Agency of the City of Watsonville Redevelopment Agency.

As a general rule, the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water, sewer, and solid waste functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various foundations concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary funds principal ongoing operations. The principal operating revenues of the government's enterprise funds and of the government's internal service fund are charges to customers for sales and services. The government also recognizes as operating revenue the portion of connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and the internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources, as they are needed.



**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the American Institute of Certified Public Accountants, require management to make assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts for revenues and expenses or expenditures.

**D. Assets, liabilities, and net position or fund balance**

**1. Deposits and investments**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in the following types of investments:

- Securities of the US Government, or its agencies
- Certificates of Deposit (or Time Deposits) placed with commercial banks and/or savings and loan institutions like institutions such as credit unions
- Local Agency Investment Fund (State Pool)
- Repurchase agreements (repos) for a term of one year or less
- Passbook Savings Account Demand Deposits
- Debt of the City of Watsonville
- Negotiable Certificates of Deposits
- Bankers' Acceptances

Investments for the government are reported at fair value. The State Treasurers Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. The government has funds held by trustees or fiscal agents pledged to the payment or security of certain bonds and certificates of participation. The California Government Code provides that these funds, in absence of specific statutory provisions governing the issuance of bonds or certificates, may be invested in accordance with the ordinance, resolutions, or indentures specifying the types of investments the trustees or fiscal agent may make.

**Cash and cash equivalents**

The cash flow statements require presentation of "cash and cash equivalents". For the purposes of the statement of cash flows, the government considers all proprietary funds pooled cash and investments and cash and investments with fiscal agent as "cash and cash equivalents".

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**2. Receivables and payables**

Activities 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). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Property taxes are levied and collected by the County of Santa Cruz and paid upon collection to the various taxing entities including the City. Property taxes are attached as an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10. Unsecured taxes are due on July 1 and become delinquent on August 31. The City recognizes property tax revenues when they become measurable and available for the payment of claims in the current period.

**3. Inventories**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

**4. Land held for resale**

Land held for resale is carried at the lower of cost or estimated realizable value.

**5. Capital assets**

Capital assets, which include property, plant and equipment, and infrastructure, (e.g., bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems), and construction in progress are recorded in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession agreement are valued at their estimated acquisition value on the date donated.

The costs for normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

Property, plant, and equipment of the primary government, are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u>           | <u>Years</u>   |
|-------------------------|----------------|
| Infrastructure          | 20 to 50 years |
| Buildings               | 20 to 50 years |
| Improvements            | 20 to 50 years |
| Machinery and Equipment | 3 to 10 years  |

## **6. Compensated absences**

It is the government's policy to allow most employee groups to accumulate sick leave to a maximum of 1,000 hours. Sick leave accumulated above this maximum is paid to employees at 50% of such excess in December. The balance of such unused sick leave is lost and the sick leave accrual is reduced to 1,000 hours at January 1 of each year. Earned vacation time is accumulated up to two times the employee's annual accrual rate and unused vacation is paid at the employee's hourly rate upon termination.

The maximum accumulation, for fire-fighters on shift duty, of unused sick leave is 62.5 days (1,500 hours). Sick leave accumulation in any calendar year in excess of 1,500 hours shall be paid at the rate of 50% of such excess. The balance of such unused sick leave is lost and the sick leave accrual is reduced to 1,500 hours at January 1 of each year.

The City accrues for compensated absences in the government-wide and proprietary fund financial statements for which they are liable to make payment directly. The General fund, Inclusionary Housing fund, and all four of the five Enterprise funds incurred costs associated with compensated absences during the last fiscal year.

## **7. Interfund transactions**

A description of the basic two types of the City's interfund transactions during the fiscal year and the related accounting policies are set forth as follows:

1. Transactions related directly to services rendered, or facilities provided, are recorded as revenues in the fund providing the service or facility and expenditures (or expenses) in the fund receiving them.
2. Transactions to allocate resources from one fund to another, not contingent on the occurrence of specific expenditures in the receiving fund, are recorded appropriately as transfers in and transfers out in the respective funds.

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**8. Long-term obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**9. Deferred Outflows and Inflows of Resources**

Pursuant to GASB Statement No. 63, *“Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,”* and GASB Statement No. 65, *“Items Previously Reported as Assets and Liabilities,”* the City recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The City has one item which qualifies for reporting; see Note IV.E. for a detailed listing of the deferred outflows. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the City that is applicable to a future reporting period. The City has one item which qualifies for reporting in this category; refer to Note IV. E. for a detailed listing of the pension related deferred inflows of resources the City has recognized.

**10. Fund balances**

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the City’s governing board (ordinance). Committed amounts cannot be used for any purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purpose with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – represents amounts which the City intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent maybe stipulated by the government board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purpose in accordance with the nature of their type or the fund’s primary purpose. An assignment within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the City.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of commitments made, which include future funding sources for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balance are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

## **11. Net Position**

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is *net investment in capital assets* consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**II. Stewardship, compliance, and accountability**

**A. Budgetary information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. All annual appropriations lapse at fiscal year-end.

On or before March 31 of each fiscal year, all departments of the City of Watsonville are required to submit requests for appropriations to the government's management so that a budget may be prepared. Before May 31 the proposed budget is presented to the government's council for review. The council holds public hearings and a final budget must be prepared and adopted no later than June 30.

The appropriated budget is prepared by fund, department, and division. The government department heads may make transfers of appropriations within a department. Transfers of appropriations between funds require the approval of the City Manager. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The council made several supplemental budget appropriations during the fiscal year. The general fund budget was increased by \$4,584,399 during the fiscal year. The largest increase was in the grant fund in the amount of 4,193,601, that was mostly used for the Urban Green Slough and Ohlone Trail projects. The city also increased the Redevelopment and Housing Fund for a CDBG COVID 19 grant in the amount of \$543,984 and Impact Fee Fund was increased by \$436,466. The enterprise funds saw an increase of \$1,723,328, which included funding for the Airport Freedom Trunk Sewer Project. Lastly, there were appropriations in the amount of \$467,410 in the Internal Service Fund for settlement of a legal matter.

Encumbrance accounting is employed in governmental funds. The commitments will be re-appropriated and honored during the subsequent fiscal year. Encumbrances were as follow at fiscal year-end: General Fund – \$3,712,072, Impact Fee Fund - \$148,161, Housing Fund - \$63,397, Redevelopment and Housing Grants Fund - \$99,065 and Other Governmental Funds - \$1,304,877.

**B. Excess of expenditures over appropriations**

For the fiscal year ended June 30, 2020, expenditures exceeded appropriations in the following funds: Parks Development Special Revenue Fund (\$19,189), Retirement Tax Special Revenue Fund (\$3,026), and the Parking Garage Special Revenue Fund (\$28,116). These funds had excess fund balance to cover these costs, with the exception of the Parking Garage Special Revenue Fund.

**C. Deficit fund equity**

These special revenue funds had the following deficit fund balances: Redevelopment and Housing Grants Special Revenue Fund of (\$45,598) and the Parking Garage Special Revenue Fund of (\$430,081). The special revenue funds will make these deficits up with future special revenue funds.

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**III. Detailed notes on all funds**

**A. Cash and investments**

Cash and investments (including monies held by trustees and fiscal agents) as of June 30, 2020 were as follows:

|                                     |             |                     |
|-------------------------------------|-------------|---------------------|
| <u>Cash:</u>                        |             |                     |
| Demand Deposits                     | \$4,755,962 |                     |
| Outstanding Checks                  | (875,350)   |                     |
| Deposits in Transit                 | 975,055     |                     |
| Net Demand Deposits                 | 4,855,667   |                     |
| Petty Cash                          | 12,436      |                     |
| Cash Subtotal                       |             | \$4,868,103         |
| <u>Investments:</u>                 |             |                     |
| Guaranteed Investment Contracts     | 1,692,456   |                     |
| California Asset Management Program | 26,741,124  |                     |
| Local Agency Investment Fund        | 56,932,567  |                     |
| Investment Subtotal                 |             | 85,366,147          |
| Total Cash and Investments          |             | <u>\$90,234,250</u> |

The cash and investments by governmental funds business type activities and private purpose trust fund was as follows:

|                                       |              |                     |
|---------------------------------------|--------------|---------------------|
| Governmental Funds:                   |              |                     |
| General                               | \$19,800,341 |                     |
| Impact Fees                           | 5,934,251    |                     |
| Housing Fund                          | 4,278,085    |                     |
| Development & Housing Grants          | 2,297,691    |                     |
| Debt Service                          | 270,116      |                     |
| Other Non-major Funds                 | 10,657,037   |                     |
| Total Government Activities:          | 43,237,521   |                     |
| Business-type Activities:             |              |                     |
| Water                                 | 20,922,426   |                     |
| Sewer                                 | 8,329,347    |                     |
| Solid Waste                           | 8,828,497    |                     |
| Airport                               | 565,192      |                     |
| Fiber Optic                           | 208,092      |                     |
| Total Business-type Activities        | 38,853,554   |                     |
| Internal Service Fund                 | 4,110,930    |                     |
| Private Purpose Trust Fund            | 4,032,245    |                     |
| Total Government Cash and Investments |              | <u>\$90,234,250</u> |

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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The City of Watsonville categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City of Watsonville has the following fair value hierarchy as of June 30, 2020:

|   | <u>Total</u>               | <u>Exempt</u>              |
|---|----------------------------|----------------------------|
| Investments measured at amortized cost: |                            |                            |
| Guaranteed Investments Contracts        | \$1,692,456                | \$1,692,456                |
| Local Agency Investment Fund            | 56,932,567                 | 56,932,567                 |
| California Asset Management Program     | <u>26,741,124</u>          | <u>26,741,124</u>          |
| Total Investments                       | <u><u>\$85,366,147</u></u> | <u><u>\$85,366,147</u></u> |

**POOLED DEPOSITS/CREDIT RISK:**

The California Government Code requires California banks and savings and loan associations to secure a government's deposits by pledging government securities as collateral. The fair value of pledged securities must equal at least 110% of a government's deposits. California law also allows financial institutions to secure government deposits by pledging first trust deed mortgage notes having a value of 150% of the government's total deposit.

The government may waive collateral requirements for deposits, which are fully insured up to \$250,000 by federal depository insurance.

At June 30, 2020, the government carrying amount of deposits and cash on hand was \$4,868,103 and bank balances were \$4,755,962. Bank balances in excess of the FDIC insurance limitations are fully collateralized by the Bank by pledging identified U.S. Government securities.



**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**Investments Authorized by the California Government Code and the City's Investment Policy**

| Authorized Investment Type              | Maximum Maturity | Maximum Percentage of Portfolio * | Maximum Investment In One Issuer |
|---|------------------|-----------------------------------|----------------------------------|
| Local Agency Bonds                      | 5 years          | None                              | None                             |
| U.S. Treasury Obligations               | 5 years          | None                              | None                             |
| U.S. Agency Securities                  | 5 years          | None                              | None                             |
| Banker's Acceptances                    | 180 days         | 40%                               | 30%                              |
| Commercial Paper                        | 270 days         | 25%                               | 10%                              |
| Negotiable Certificates of Deposit      | 5 years          | 30%                               | None                             |
| Repurchase Agreements                   | 1 year           | 20%                               | None                             |
| Passbook Savings Account Demand Deposit | N/A              | None                              | None                             |
| Medium-Term Notes                       | 5 years          | 30%                               | None                             |
| Debt of City of Watsonville             | N/A              | None                              | None                             |
| Money Market Mutual Funds               | N/A              | 20%                               | 10%                              |
| Local Agency Investment Fund (LAIF)     | N/A              | None                              | \$75,000,000                     |

\* Excluding amounts held by bond trustee that are not subject to California Government Code restrictions

**Investments Authorized by Debt Agreements**

| Authorized Investment Type      | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment In One Issuer |
|---------------------------------|------------------|---------------------------------|----------------------------------|
| U.S. Treasury Obligations       | None             | None                            | None                             |
| U.S. Agency Securities          | None             | None                            | None                             |
| Banker's Acceptances            | 180 days         | None                            | None                             |
| Commercial Paper                | 270 days         | None                            | None                             |
| Money Market Mutual Funds       | N/A              | None                            | None                             |
| Guaranteed Investment Contracts | 30 years         | None                            | None                             |

**Disclosures Relating to Interest Rate Risk**

| Investment Type                     | Remaining Maturity (in Months) |                     | Total               |
|-------------------------------------|--------------------------------|---------------------|---------------------|
|                                     | 12 Months or Less              | More Than 60 Months |                     |
| Local Agency Investment Fund        | \$56,932,567                   |                     | \$56,932,567        |
| California Asset Management Program | 26,741,124                     |                     | 26,741,124          |
| Guaranteed Investment Contracts     |                                | \$1,692,456         | 1,692,456           |
| Total                               | <u>\$83,673,691</u>            | <u>\$1,692,456</u>  | <u>\$85,366,147</u> |

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**Disclosures Relating to Credit Risk**

| Investment Type                     | Ratings as of Fiscal Year End |              | Total        |
|-------------------------------------|-------------------------------|--------------|--------------|
|                                     | AA                            | Not Rated    |              |
| Local Agency Investment Fund        |                               | \$56,932,567 | \$56,932,567 |
| California Asset Management Program |                               | 26,741,124   | 26,741,124   |
| Guaranteed Investment Contracts     | \$1,692,456                   |              | 1,692,456    |
| Total                               | \$1,692,456                   | \$83,673,691 | \$85,366,147 |

- (1) The management of the State of California Pooled Money Investment Account (generally referred to as LAIF) has indicated to the government that as of June 30, 2020 the amortized cost value of the pool was \$101,110,343,833 and the estimated fair value of the pool was \$101,607,078,218. The reported value of the government's portion of LAIF is the same value as the fair value of LAIF shares. LAIF's (and the government's) exposure to risk (credit, market or legal) is not currently available. The State's Local Agency Investment Fund (LAIF) operates in accordance with appropriate state laws and regulations.
- (2) The City is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of CAMP participants to invest certain proceeds of debt issues and surplus funds. CAMP investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The City reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share in accordance with GASB 79 requirements. At June 30, 2020, fair value was approximate to the City's cost. At June 30, 2020 these investments had an average maturity of 53 days.

The government has funds held by trustees or fiscal agents pledged to the payment or security of certain bonds and certificates of participation. The California Government Code provides that these funds, in absence of specific statutory provisions governing the issuance of bonds or certificates, may be invested in accordance with the ordinance, resolutions, or indentures specifying the types of investments the trustees or fiscal agent may make.

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**B. Capital assets**

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

Governmental activities:

|   | Balance at<br>6/30/2019 | Additions   | Deletions | Balance at<br>6/30/2020 |
|---|-------------------------|-------------|-----------|-------------------------|
| Capital Assets not being depreciated:       | \$                      | \$          | \$        | \$                      |
| Land and Improvements                       | 14,471,725              | 1,996,198   | -         | 16,467,923              |
| Construction in Progress                    | 4,331,571               | -           | (519,433) | 3,812,138               |
| Total Capital Assets not being depreciated  | 18,803,296              | 1,996,198   | (519,433) | 20,280,061              |
| Capital Assets being depreciated:           |                         |             |           |                         |
| Buildings and Improvements                  | 135,341,092             | 990,217     | -         | 136,331,309             |
| Machinery And Equipment                     | 15,700,855              | 2,208,829   | (335,174) | 17,574,510              |
| Infrastructure                              | 35,753,059              | -           | -         | 35,753,059              |
| Total Capital Assets being depreciated      | 186,795,006             | 3,199,046   | (335,174) | 189,658,878             |
| Less accumulated depreciation for:          |                         |             |           |                         |
| Buildings and Improvements                  | (55,871,370)            | (3,790,320) | -         | (59,661,690)            |
| Machinery and Equipment                     | (10,639,717)            | (1,010,699) | 335,174   | (11,315,242)            |
| Infrastructure                              | (24,771,103)            | (852,262)   | -         | (25,623,365)            |
| Total accumulated depreciation              | (91,282,190)            | (5,653,281) | 335,174   | (96,600,297)            |
| Total Capital Assets being depreciated, net | 95,512,816              | (2,454,235) | -         | 93,058,581              |
| Governmental activity Capital Assets, net   | 114,316,112             | (458,037)   | (519,433) | 113,338,642             |

Business-type activities:

|  | Balance at<br>6/30/2019 | Additions   | Deletions   | Balance at<br>6/30/2020 |
|--|-------------------------|-------------|-------------|-------------------------|
| Capital Assets, not being depreciated:       | \$                      | \$          | \$          | \$                      |
| Land and improvement                         | 13,646,636              | 1,124,579   | -           | 14,771,215              |
| Construction in progress                     | 6,540,056               | 2,556,100   | (2,505,796) | 6,590,360               |
| Total Capital Assets not being depreciated   | 20,186,692              | 3,680,679   | (2,505,796) | 21,361,575              |
| Capital Assets, being depreciated:           |                         |             |             |                         |
| Buildings and Improvements                   | 90,096,746              | 87,791      | -           | 90,184,537              |
| Machinery and Equipment                      | 21,893,336              | 3,429,286   | (604,771)   | 24,717,851              |
| Infrastructure                               | 61,375,021              | 3,598,029   | -           | 64,973,050              |
| Total Capital Assets being depreciated       | 173,365,103             | 7,115,106   | (604,771)   | 179,875,438             |
| Less accumulated depreciation for:           |                         |             |             |                         |
| Buildings and Improvements                   | (34,368,225)            | (2,132,259) | -           | (36,500,484)            |
| Machinery Equipment                          | (17,768,437)            | (899,022)   | 604,771     | (18,062,688)            |
| Infrastructure                               | (46,283,278)            | (1,015,237) | -           | (47,298,515)            |
| Total accumulated depreciation               | (98,419,940)            | (4,046,518) | 604,771     | (101,861,687)           |
| Total Capital Assets being depreciated       | 74,945,163              | 3,068,588   | -           | 78,013,751              |
| Business-type activities Capital Assets, net | 95,131,855              | 6,749,267   | (2,505,796) | 99,375,326              |

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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Depreciation expenses were charged to functions/programs of the primary government as follows:

|   |           |
|---|-----------|
| Governmental activities:                              | \$        |
| General government                                    | 193,814   |
| Public safety   | 2,325,001 |
| Highway and streets                                   | 2,360,412 |
| Culture and recreation                                | 774,054   |
|   | <hr/>     |
| Total depreciation expense - governmental activities  | 5,653,281 |
|   | <hr/>     |
| Business-Type activities:                             |           |
| Water   | 1,601,585 |
| Sewer   | 1,446,776 |
| Solid waste   | 609,326   |
| Airport   | 353,485   |
| Fiber optic   | 35,346    |
|   | <hr/>     |
| Total depreciation expense - business-type activities | 4,046,518 |
|   | <hr/>     |

**C. Interfund receivables, payables, and transfers**

The composition of interfund activities as of June 30, 2020, is as follows:

**Due from/to other funds**

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. Due from/to other funds balances at June 30, 2020 were as follows:

|                              | <u>Due from other funds</u> | <u>Due to other funds</u> |
|------------------------------|-----------------------------|---------------------------|
|                              | \$                          | \$                        |
| <b>Governmental Funds:</b>   |                             |                           |
| General                      | 654,692                     | -                         |
| Redevelopment & Housing Fund | -                           | 195,068                   |
| Nonmajor Funds               | -                           | 459,624                   |
|                              | <hr/>                       | <hr/>                     |
| Total Governmental Funds     | 654,692                     | 654,692                   |
|                              | <hr/>                       | <hr/>                     |

The General fund covered the current cash shortfall for other special revenue funds.

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**Advances receivable/payable**

Long-term interfund balances arise in the normal course of business and are not expected to be repaid during the next fiscal year. Advances receivable/payable funds balances at June 30, 2020 were as follows:

|                            | Advances Receivable | Advances Payable |
|----------------------------|---------------------|------------------|
| <b>Governmental Funds:</b> | \$                  | \$               |
| General                    | 101,674             | 3,978,545        |
| Impact Fees                | 182,830             | -                |
| Nonmajor Funds             | 349,462             | -                |
| Total Governmental Funds   | 633,966             | 3,978,545        |
| <b>Enterprise Funds:</b>   |                     |                  |
| Water                      | 3,222,642           | -                |
| Sewer                      | 621,501             | -                |
| Solid Waste                | 185,900             | -                |
| Airport                    | 21,465              | -                |
| Fiber Optic                | -                   | 706,929          |
| Total Enterprise Funds     | 4,051,508           | 706,929          |
| Total Government           | 4,685,474           | 4,685,474        |

With Council approval, resources may be transferred from one City fund to another. The government made various interfund transfers as follows:

|                              | Transfers In |              |                   |                |                       | Transfers Out |
|------------------------------|--------------|--------------|-------------------|----------------|-----------------------|---------------|
|                              | General Fund | Housing Fund | Debt Service Fund | Nonmajor Funds | Internal Service Fund |               |
| Transfers Out                | \$           | \$           | \$                | \$             | \$                    | \$            |
| General Fund                 | -            | 98,513       | 204,836           | 53,453         | 24,292                | 381,094       |
| Impact Fee Fund              | 5,000        | -            | -                 | -              | -                     | 5,000         |
| Redevelopment & Housing Fund | 115,019      | -            | 153,683           | -              | -                     | 268,702       |
| Nonmajor Funds               | 3,516,268    | -            | 304,707           | 59,355         | -                     | 3,880,330     |
| Water Fund                   | -            | -            | 22,074            | 5,045          | -                     | 27,119        |
| Sewer Fund                   | -            | -            | 163,606           | 5,045          | 5,713                 | 174,364       |
| Solid Waste Fund             | -            | -            | 33,713            | 5,045          | 5,953                 | 44,711        |
| Airport Fund                 | -            | -            | -                 | 5,045          | -                     | 5,045         |
| Total Transfers In           | 3,636,287    | 98,513       | 882,619           | 132,988        | 35,958                | 4,786,365     |

The government approved various interfund transfers within its budget for various recommencements such as the transfer from the Retirement Fund to the General Fund for recommencements of General Fund employee's retirement costs, the transfer from the CDBG Fund to the General Fund for the recommencements of qualified recreations staff costs and recommencements of debt payments to the Debt Service Fund. The General Fund also transferred 20% of its reimbursement from the Successor Agency to the Successor Agency Housing Fund as required by state law.

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**D. Leases**

**Operating lease**

The government has entered into a non-cancellable operating lease for 911 and public safety dispatching services with Santa Cruz Consolidated Emergency Communications Center. Total cost for the lease was \$50,384 for the fiscal year ended June 30, 2020. The future minimum lease payments as of June 30, 2020 are as follows:

| Fiscal Year Ending<br>June 30 | Amount         |
|-------------------------------|----------------|
|                               | \$             |
| 2021                          | 50,406         |
| 2022                          | 50,331         |
| 2023                          | 50,155         |
| 2024                          | 50,755         |
| 2025                          | 50,363         |
| 2026                          | 50,778         |
| 2027                          | 50,193         |
| 2028                          | 50,410         |
| 2029                          | 50,546         |
| 2030                          | 50,556         |
| 2031                          | 50,435         |
| 2032                          | 50,126         |
| 2033                          | 50,611         |
| 2034                          | 50,964         |
| Total                         | <u>706,629</u> |

**E. Long-term debt**

The government's long-term debt obligations are repaid by the following funds: Revenue Bonds from the Solid Waste Enterprise Fund; Capital Leases; the Airport Enterprise Fund; and the City's Debt Service Fund.

**Limited obligation bonds**

Limited obligation bonds consist of bonds issued for improvements in special assessment districts and are secured by liens against the assessed property. The government has agreed to establish certain reserve funds and to act as agent for property owners with respect to payment of debt service. In the event of delinquency, however, the government is not obligated to retire bonds from available funds or to bring legal action against property holders. These bonds were paid off in this fiscal year ending June 30, 2020.

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Debt payable (Direct Borrowing) – Governmental Activities**

On April 13, 2012, the government entered into a commercial term loan with Santa Cruz County Bank to finance the cost of installing solar panels through the City of Watsonville. The total amount for which the government is obligated under the loan was \$3,014,285. Installation of the solar panels was completed in the 2012/13 fiscal year.

Interest rate for the loan is 5.29% with principal payments ranging from \$206,431 to \$282,376 through fiscal year 2027.

The annual requirements to amortize the loan outstanding as of June 30, 2020 is as follows:

| Fiscal Year | Solar Lease from Santa Cruz County |          |              |
|-------------|------------------------------------|----------|--------------|
|             | Principal                          | Interest | Debt Service |
|             | \$                                 | \$       | \$           |
| 2021        | 206,431                            | 87,197   | 293,628      |
| 2022        | 217,495                            | 76,133   | 293,628      |
| 2023        | 229,153                            | 64,475   | 293,628      |
| 2024        | 241,436                            | 52,192   | 293,628      |
| 2025        | 254,377                            | 39,251   | 293,628      |
| 2026        | 268,011                            | 25,617   | 293,628      |
| 2027        | 282,376                            | 11,252   | 293,628      |
| Total       | 1,699,279                          | 356,117  | 2,055,396    |

**Notes payable:**

**Section 108 Loan Payable (Direct Borrowing)**

The government entered into contract with the Secretary of U.S. Department of Housing and Urban Development. The contract is for loan guarantee assistance under Section 108 of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. #5308. The promissory note, in the amount of \$2,530,000, is for the Downtown Parking Garage Project. The note is to be repaid with future Community Development Block Grant funds over a period of twenty years at an interest rate of 1.26%.

The annual requirements to amortize the Section 108 note outstanding as of June 30, 2020 is as follows:

| Fiscal Year | Principal | Interest | Debt Service |
|-------------|-----------|----------|--------------|
|             | \$        | \$       | \$           |
| 2021        | 140,000   | 18,047   | 158,047      |
| 2022        | 147,000   | 14,934   | 161,934      |
| 2023        | 155,000   | 11,308   | 166,308      |
| 2024        | 163,000   | 2,902    | 165,902      |
| 2025        | 170,000   | 2,423    | 172,423      |
| Total       | 775,000   | 49,614   | 824,614      |

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**PG&E Notes (Direct Borrowing)**

The City entered into several agreements with Pacific Gas & Electric Company (PG&E) to retrofit City lighting with qualified energy saving lights throughout the City. The notes are to be repaid with future energy savings over various periods at interest rates of 0%.

The annual requirements to repay the PG&E note outstanding as of June 30, 2020 are as follows:

**Street Lights:**

| <u>Fiscal Year</u> | <u>Principal</u>     |
|--------------------|----------------------|
|                    | \$                   |
| 2021               | <u>15,149</u>        |
| Total              | <u><u>15,149</u></u> |

**City Buildings Lights:**

| <u>Fiscal Year</u> | <u>Principal</u>     |
|--------------------|----------------------|
|                    | \$                   |
| 2021               | 10,565               |
| 2022               | <u>8,795</u>         |
| Total              | <u><u>19,360</u></u> |

**Waste Water System Lights:**

| <u>Fiscal Year</u> | <u>Principal</u>       |
|--------------------|------------------------|
|                    | \$                     |
| 2021               | 10,555                 |
| 2022               | 10,555                 |
| 2023               | <u>7,036</u>           |
| Total              | <u><u>\$28,146</u></u> |



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**PG&E 2019 Notes (Direct Borrowing)**

The City entered into several agreements with Pacific Gas & Electric Company (PG&E) to retrofit City lighting with qualified energy saving lights throughout the City. The notes are to be repaid with future energy savings over various periods at interest rates of 0%.

The terms and maximum payments required on the 2019 notes are as follows:

Old City Hall - \$47,181 5 year loan, maximum annual payment of \$11,323,  
 Civic Center - \$60,070, 4 year loan, maximum annual payment of \$18,021,  
 Marinovich - \$33,071, 5 year loan, maximum annual payment of \$9,229,  
 Youth Center - \$27,876, 7 year loan, maximum annual payment of \$4,993,  
 Ramsay Park - \$29,807, 5 year loan, maximum annual payment of \$7,015,  
 Fire Station 1 - \$36,215, 3 year loan, maximum annual payment of \$16,096,  
 Beach St Parking - \$35,429, 6 year loan, maximum annual payment of \$7,330,  
 Police Station - \$85,545, 6 year loan, maximum annual payment of \$19,010,  
 Senior Center - \$20,657, 9 year loan, maximum annual payment of \$2,882

The annual requirements to repay the PG&E 2019 governmental notes outstanding as of June 30, 2020 are as follows:

| Fiscal Year | Principal |
|-------------|-----------|
|             | \$        |
| 2021        | 95,897    |
| 2022        | 93,214    |
| 2023        | 78,298    |
| 2024        | 49,374    |
| 2025        | 11,292    |
| 2026        | 3,709     |
| 2027        | 2,882     |
| 2028        | 243       |
| Total       | 334,909   |

The original loan amounts, terms and maximum annual payments required on the 2019 notes are as follows:

Corralitos - \$23,326, 5 year loan, maximum annual payment of \$5,281,  
 MSC - \$34,323, 7 year loan, maximum annual payment of \$5,492,  
 Vista Well - \$8,722, 3 year loan, maximum annual payment of \$3,738.

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**Business Type Activities**

The annual requirements to repay the PG&E 2019 Water fund notes outstanding as of June 30, 2020 are as follows:

| Fiscal Year | Principal |
|-------------|-----------|
|             | \$        |
| 2021        | 14,511    |
| 2022        | 13,888    |
| 2023        | 10,773    |
| 2024        | 10,333    |
| 2025        | 5,489     |
| 2026        | 4,120     |
| Total       | 59,114    |

**For the Waste Water Fund as follows:**

Waste Water

Treatment Plant - \$86,422, 6 year loan, maximum annual payment of \$19,205,

The annual requirements to repay the PG&E 2019 Waste Water fund note outstanding as of June 30, 2020 are as follows:

| Fiscal Year | Principal |
|-------------|-----------|
|             | \$        |
| 2021        | 19,205    |
| 2022        | 19,205    |
| 2023        | 19,205    |
| 2024        | 19,205    |
| 2025        | 8,001     |
| Total       | 84,821    |

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**For the Airport Fund as follows:**

Airport - \$153,579, 8 year loan, maximum annual payment of \$23,037

The annual requirements to repay the PG&E 2019 Airport fund note outstanding as of June 30, 2020 are as follows:

| Fiscal Year | Principal      |
|-------------|----------------|
|             | \$             |
| 2021        | 23,037         |
| 2022        | 23,037         |
| 2023        | 23,037         |
| 2024        | 23,037         |
| 2025        | 23,037         |
| 2026        | 23,037         |
| 2027        | 5,758          |
| Total       | <u>143,980</u> |

**For the Solid Waste Fund as follows:**

Landfill - \$9,110, 7 year loan, maximum annual payment of \$1,458.

The annual requirements to repay the PG&E 2019 Solid Waste fund note outstanding as of June 30, 2020 are as follows:

| Fiscal Year | Principal    |
|-------------|--------------|
|             | \$           |
| 2021        | 1,458        |
| 2022        | 1,458        |
| 2023        | 1,458        |
| 2024        | 1,458        |
| 2025        | 1,458        |
| 2026        | 970          |
| Total       | <u>8,260</u> |

**State of California Energy Commission (Direct Borrowing)**

The City entered into an agreement with State of California Energy Commission to retrofit the City's owned street lights with qualified energy saving lights. The note is to be repaid with future energy savings over a period of eight years at an interest rate of 3%.

The annual requirements to amortize the State of California Energy Commission note outstanding as of June 30, 2020 is shown below:

| Fiscal Year | Principal     | Interest  | Debt Service  |
|-------------|---------------|-----------|---------------|
|             | \$            | \$        | \$            |
| 2021        | 33,905        | 45        | 33,950        |
| Total       | <u>33,905</u> | <u>45</u> | <u>33,950</u> |

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**State Water Resources Control Board Loan (Direct Borrowing)**

On December 18, 2015 the city entered into an agreement with California State Water Resource Board for a Clean Water State Revolving Fund loan to finance the Manana Lanes Sewer project. The amount of the loan is \$1,486,310. Interest rate for the 20 year loan is 1.6% with principal payments ranging from \$66,227 to \$86,741.

The City's outstanding debt under the California State Water Resources Control Board are secured by a pledge of revenues from the Sewer Enterprise Fund. Events of default include non-payment of interest or principal when due. The City shall have 10 days to clear any default. A penalty of highest legal rate of interest from date of default will be added for each charge, fees, taxes, assessments tools or other charges or imposed by the Recipient of non-payment. There have been no events of default since the loan was issued.

The annual requirements to amortize the loan outstanding as of June 30, 2020 is as follows:

| Fiscal Year | Principal | Interest | Debt Service |
|-------------|-----------|----------|--------------|
|             | \$        | \$       | \$           |
| 2021        | 66,227    | 21,903   | 88,130       |
| 2022        | 67,287    | 20,843   | 88,130       |
| 2023        | 68,364    | 19,767   | 88,131       |
| 2024        | 69,457    | 18,673   | 88,130       |
| 2025        | 70,569    | 17,561   | 88,130       |
| 2026        | 71,698    | 16,432   | 88,130       |
| 2027        | 72,845    | 15,285   | 88,130       |
| 2028        | 74,011    | 14,120   | 88,131       |
| 2029        | 75,195    | 12,935   | 88,130       |
| 2030        | 76,398    | 11,732   | 88,130       |
| 2031        | 77,620    | 10,510   | 88,130       |
| 2032        | 78,862    | 9,268    | 88,130       |
| 2033        | 80,124    | 8,006    | 88,130       |
| 2034        | 81,406    | 6,724    | 88,130       |
| 2035        | 82,708    | 5,422    | 88,130       |
| 2036        | 84,032    | 4,098    | 88,130       |
| 2037        | 85,376    | 2,754    | 88,130       |
| 2038        | 86,741    | 1,388    | 88,129       |
| Total       | 1,368,920 | 217,421  | 1,586,341    |

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**Municipal landfill closure and post-closure liability and requirements**

The government operates a landfill solely for the disposal of Watsonville resident's solid waste. The landfill is regulated by the California Integrated Waste Management Board, which requires that the government set aside certain funds for the landfill's eventual closure. As of June 30, 1998, the government's Solid Waste Division had completed the closure of the old landfill cell and recognized \$403,773 of expenditures to complete the closure. The government is now operating a new cell, which was expected to provide landfill capacity for 23 years with an estimated post-closure cost of \$1,591,230.

The government recognizes a portion of the closure and post closure care costs in each operating period. The amount recognized each year to date for the new landfill is based on the landfill capacity used as of the balance sheet date. As of June 30, 2020, the new landfill cell had used 95.5% of its projected space. The estimated closure and post-closure costs were \$1,941,718 and \$1,618,099. The estimated remaining closure and post closure costs are \$1,544,960 and \$3,698,481, which will be recognized as the remaining capacity is used (estimated to be 0.6 years). To date, the fund has \$299,510 for post closure costs for the closed phase I and II cells and has set aside closure costs of \$1,853,951 and post-closure costs of \$1,544,960 for the open phase III cell for a total of \$3,698,421. The estimated costs of closure and post closure care are subject to changes such as the effects of inflation, revision of laws and other variables.

**NET OPEB LIABILITY**

Starting July 1, 2015, the City ceased to pay cash subsidies for retirees. The retirees pay the full amount of their CSAC IEA premiums. The medical/drug implicit subsidy was the only source of liability related for OPEB. Since there is no cash subsidy, as of June 30, 2020, the net OPEB liability was calculated to be immaterial for GASB#75 presentation purposes. However, the net OPEB liabilities of \$3,598,100 is still reflected as part of the long-term liabilities in the City's Statement of Net Position.

**Capital Lease (Direct Borrowing) – Governmental Activities**

On March 12, 2018 the city entered into an Equipment Lease Purchase agreement with Community First National Bank for the purchase of a Rosenbauer EXT Aerial Tiller Fire Truck. The amount of the Lease was \$1,291,081. Interest rate for the 5 year lease is 3.544% with principal lease payments ranging from \$249,076 to \$276,507.

If the Lessee should default under any of the provisions hereof, the lessor may charge interest on all amounts due at 10% per annum or the maximum amount permitted by law, whichever is less. There have been no events of default since the lease was issued.

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The annual requirement to amortize the lease outstanding as of June 30, 2020 is as follows:

| Fiscal Year | Principal | Interest | Debt Service | Purchase Option |
|-------------|-----------|----------|--------------|-----------------|
|             | \$        | \$       | \$           | \$              |
| 2021        | 257,904   | 28,403   | 286,307      | 554,422         |
| 2022        | 267,043   | 19,263   | 286,306      | 282,308         |
| 2023        | 276,507   | 9,799    | 286,306      | -               |
| Total       | 801,454   | 57,465   | 858,919      | 836,730         |

**Changes in long-term liabilities**

Long-term liability activity for the fiscal year ended June 30, 2020, is as follows:

|  | Balance<br>June 30, 2019 | Additions  | Reductions   | Balance<br>June 30, 2020 | Due Within<br>One Year |
|--|--------------------------|------------|--------------|--------------------------|------------------------|
| Governmental activities:                 |                          |            |              |                          |                        |
| General Obligation Debt:                 |                          |            |              |                          |                        |
| Debt payable                             | \$ 1,895,208             | \$ -       | \$ (195,929) | \$ 1,699,279             | \$ 206,431             |
| Capital Lease                            | 1,050,530                | -          | (249,076)    | 801,454                  | 257,904                |
| Notes payable                            | 1,337,435                | 144,201    | (303,313)    | 1,178,323                | 295,516                |
| Subtotal                                 | 4,283,173                | 144,201    | (748,318)    | 3,679,056                | 759,851                |
| Bonds Payable:                           |                          |            |              |                          |                        |
| Special Assessment Debt without          |                          |            |              |                          |                        |
| Government Commitment                    | 49,000                   | -          | (49,000)     | -                        | -                      |
| Other Liabilities:                       |                          |            |              |                          |                        |
| Compensated absences                     | 1,785,278                | 1,307,994  | (1,038,037)  | 2,055,235                | 123,314                |
| Net OPEB liability                       | 1,901,953                | 115,991    | -            | 2,017,944                | -                      |
| Net Pension liability                    | 56,328,400               | 4,637,442  | -            | 60,965,842               | -                      |
| Total Governmental activities            |                          |            |              |                          |                        |
| Long-term liabilities                    | 64,347,804               | 6,205,628  | (1,835,355)  | 68,718,077               | 883,165                |
| Business-type activities:                |                          |            |              |                          |                        |
| State Water Resources Control Board Loan | \$ 1,306,462             | \$ 128,940 | \$ (66,482)  | \$ 1,368,920             | \$ 66,227              |
| Notes Payable                            | 332,841                  | 22,357     | (30,877)     | 324,321                  | 68,766                 |
| Compensated Absences                     | 723,529                  | 709,081    | (602,764)    | 829,846                  | 49,791                 |
| Net OPEB Liabilities                     | 1,431,285                | 84,411     | -            | 1,515,696                | -                      |
| Net Pension Liabilities                  | 20,964,537               | 1,241,472  | -            | 22,206,009               | -                      |
| Landfill Closure / Post-Closure          | 3,661,020                | 97,321     | (59,920)     | 3,698,421                | -                      |
| Total Business-type activities           |                          |            |              |                          |                        |
| Long-Term liabilities                    | 28,419,674               | 2,283,582  | (760,043)    | 29,943,213               | 184,784                |

General Fund, Library Fund Sewer Fund, Water Fund, Airport Fund and Solid Waste Fund all were required to pay their portion of costs related to other Net OPEB Liabilities and Pension Liabilities.

**CITY OF WATSONVILLE, CALIFORNIA**  
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**IV. Other information**

**A. Risk management**

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The government also provides health insurance coverage to employees. There have been no significant reductions in insurance coverage for any risk of loss in the past fiscal year, and settled claims have not exceeded the commercial coverage in any of the past three fiscal years. The government has established a risk management fund to account for and finance its uninsured risks of loss.

The government's risk management programs provide coverage for up to a maximum of \$150,000 for each Workers' Compensation claim; \$500,000 for each General Liability claim. The government purchases commercial insurance for claims in excess of coverage provided by the self-insurance programs. There have been no significant changes in insurance coverage as compared to last fiscal year.

All funds of the government participate in the self-insurance programs. The employee health insurance program is funded by contributions of a flat rate per employee to the self-insurance fund. Other self-insurance programs are funded by budgeted appropriations. Funding is estimated to provide amounts needed to pay prior and current fiscal year claims and to establish reserves for catastrophic losses.

Liabilities in the self-insurance Internal services fund at June 30, 2020 totaled \$4,571,611 as follows: Health Benefits \$88,104; General Liability \$1,382,395; and Workers' Compensation \$3,101,112.

The basis for estimating incurred but not reported claims is based on the statute of limitation on accepting claims as follows:

Health Benefits are estimated at 2 times the current fiscal year's average monthly cost, General Liability is estimated at 6 months of current fiscal year's average monthly claim cost, and Workers' Compensation is estimated by using the last two weeks of current fiscal year's average monthly claim cost.

|                                   | <u>2018-19</u>          | <u>2019-20</u>          |
|-----------------------------------|-------------------------|-------------------------|
| Claims incurred but not reported: | \$                      | \$                      |
| Beginning                         | 721,123                 | 666,224                 |
| Incurred claims                   | 7,833,977               | 2,550,210               |
| Claims paid                       | <u>(7,888,876)</u>      | <u>(989,829)</u>        |
| Ending                            | <u>666,224</u>          | <u>2,226,605</u>        |
| Claims payable                    |                         |                         |
| Beginning                         | 3,105,394               | 2,431,364               |
| Incurred claims                   | 1,956,003               | 2,745,084               |
| Claims paid                       | <u>(2,630,033)</u>      | <u>(2,831,442)</u>      |
| Ending                            | <u>2,431,364</u>        | <u>2,345,006</u>        |
| Total claims                      | <u><u>3,097,588</u></u> | <u><u>4,571,611</u></u> |

**CITY OF WATSONVILLE, CALIFORNIA**  
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**B. Public entity risk pool**

In November 1994, the government became a member of the Public Agency Risk Sharing Authority of California (PARSAC), formerly known as California Municipal Insurance Authority (CMIA). PARSAC, a consortium of 36 California cities, which was established in May 1986 to pool resources, share risks, purchase excess insurance, and to share costs for professional risk management and claims administration. The Authority's governing board consists of one appointed official and an alternate from participating cities.

**General liability**

The City is self-insured for general liability claims up to \$500,000 (effective November 11, 1994) for each occurrence. Coverage for individual losses in excess of \$500,000, up to \$10,000,000 is provided through the Public Risk Sharing Authority of California (PARSAC). Under this program, members share in losses between the members' individual self-insured retention and \$1,000,000 under a risk sharing pool program; and from \$1,000,000 to \$40,000,000, coverage is provided by another risk pool, CSAC-EIA.

Estimates for all liabilities have been accrued in the Self-Insurance Internal Service Fund, which included an estimate for incurred but not reported claims. At June 30, 2020, total estimated claims payable for General Liability were \$1,382,395.

**C. Commitments and Contingencies**

**Litigation**

Various claims and lawsuits are pending against the government. In the opinion of government management, the potential claims loss will not be significant to the government's financial statements.

**Grant audits**

The government receives grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in a request for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of City management, such disallowance, if any, will not be significant.



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**Contingency**

Proposition 218, which was approved by the voters in November 1996, regulates the government's ability to impose, increase and extend taxes, assessments and fees. Any new, increased or extended taxes, assessments, and fees subject to the provisions of Proposition 218 require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may be rescinded in the future by the voters. Therefore, the government's ability to finance the services for which the taxes, assessments and fees were imposed may be significantly impaired. Certain language in the initiative is unclear as to the scope and impact of the proposition. Future court rulings or state legislation may clarify these issues. At this time it is uncertain as to the effect that Proposition 218 will have on the government's ability to maintain or increase the revenue it receives from taxes, assessments and fees, or its effect on interfund payments in lieu of taxes and transfers of surplus funds from enterprise funds to the general fund. Also unclear is the extent to which a 1995 California Supreme Court ruling (the *Guardino* case) upholding the voter approval requirements of a previously enacted state initiative (Proposition 62) is applicable to prior periods. However, because the City of Watsonville is a Charter City, management believes that the *Guardino* ruling does not apply to its general law application in the cited case.

**D. Post-employment health care benefits**

**Retiree benefits - COBRA benefits**

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government provides health care benefits to eligible former employees and their eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium plus a 2% administration fee is paid in full by the insured on or before the tenth day of the month for the actual month covered. This program is offered for a duration between 18 and 36 months, after the termination date, depending on circumstances related to eligibility to Medicare, death or divorce. During the last fiscal year two former employees participated in the program.

**E. Defined benefit pension plans**

**1. CALPERS miscellaneous employees plan**

**A. General Information about the Miscellaneous Pension Plan**

*Plan Description*

All qualified permanent and probationary miscellaneous employees are eligible to participate in the City's Miscellaneous Employee Pension Plan, agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employees. Benefit provisions under the Plan is 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.

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*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 55 with statutorily reduced benefits. All members are eligible for nonduty disability benefits after 10 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' provisions and benefits in effect at June 30, 2020, are summarized as follows:

|   | Miscellaneous            |                             |                                |
|---|--------------------------|-----------------------------|--------------------------------|
|   | Prior to<br>July 1, 2011 | On or after<br>July 1, 2011 | On or after<br>January 1, 2013 |
| Hire date   |                          |                             |                                |
| Benefit formula                                   | 2.0% @ 55                | 2.0% @ 60                   | 2.0% @ 62                      |
| Benefit vesting schedule                          | 5 years service          | 5 years service             | 5 years service                |
| Benefit payments                                  | monthly for life         | monthly for life            | monthly for life               |
| Retirement age                                    | 55                       | 60                          | 62                             |
| Monthly benefits, as a % of eligible compensation | 1.43% to 2.5%            | 1.09% to 2.42%              | 1% to 2.5%                     |
| Required employee contribution rates              | 7%                       | 7%                          | 5.50%                          |
| Required employer contribution rates              | 7.473%                   | 7.473%                      | 11.204%                        |

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above as a dollar amount for contributions toward the unfunded actuarial liability (UAL). The dollar amounts are billed on a monthly basis or the City can elect a lump sum payment option. The City's required contribution for the unfunded liability in the Miscellaneous plan for the year ended June 30, 2020 was \$2,565,325, which were made under the lump sum payment option.

*Employees Covered*

The following employees were covered by the benefit terms for the Miscellaneous Plan as of the most recent actuarial valuation date of June 30, 2018 and measurement date as of June 30, 2019:

|  | Miscellaneous |
|--|---------------|
| Inactive employees or beneficiaries currently receiving benefits | 295           |
| Inactive employees entitled to but not yet receiving benefits    | 300           |
| Active employees   | 305           |
| Total  | 900           |

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*Contributions*

Section 20814(c) of the California Public Employees' Retirement Law 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. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

**B. Net Pension Liability**

The City's net pension liability for the plan is measured as the total pension liability less the pension plan's fiduciary net pension. The net pension liability of the Plan is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below:

Actuarial Assumptions - The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

|                           | Miscellaneous   |
|---------------------------|---|
| Valuation Date            | June 30, 2018   |
| Measurement Date          | June 30, 2019   |
| Actuarial Cost Method     | Entry-Age Normal Cost Method                            |
| Actuarial Assumptions:    |   |
| Discount Rate             | 7.15%   |
| Inflation                 | 2.50%   |
| Payroll Growth            | Varies by Entry Age & Service                           |
| Projected Salary Increase | 3.3%-14.2 (1)   |
| Investment Rate of Return | 7.5% (2)  |
| Mortality                 | Derived using CalPERS Membership Data for all Funds (3) |

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, includes inflation

(3) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

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The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate - The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contributions rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

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 cash flows. Using historical returns of all the funds' asset classes, expected compound 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 rounded 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.

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The table below reflects the long-term expected real rate of return by asset class.

| Asset Class (a)  | New Strategic Allocation | Real Return Years 1 - 10(b) | Real Return Years 11+(c) |
|------------------|--------------------------|-----------------------------|--------------------------|
| Global Equity    | 50.0%                    | 4.80%                       | 5.98%                    |
| Fixed Income     | 28.0%                    | 1.00%                       | 2.62%                    |
| Inflation Assets | 0.0%                     | 0.77%                       | 1.81%                    |
| Private Equity   | 8.0%                     | 6.30%                       | 7.23%                    |
| Real Assets      | 13.0%                    | 3.75%                       | 4.93%                    |
| Liquidity        | 1.0%                     | 0.00%                       | -0.92%                   |
| Total            | 100.0%                   |                             |                          |

- (a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
- (b) An expected inflation of 2.0% used for this period.

### Changes in the Net Pension Liability

The changes in the Net Pension Liability for the Plan as follows:

Miscellaneous Plan:

|   | Increase (Decrease)     |                             |                               |
|---|-------------------------|-----------------------------|-------------------------------|
|   | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance at June 30, 2018                                      | \$146,365,189           | \$108,190,702               | \$38,174,487                  |
| Changes in the year:  |                         |                             |                               |
| Service cost  | 2,918,120               | -                           | 2,918,120                     |
| Interest on the total pension liability                       | 10,452,164              | -                           | 10,452,164                    |
| Changes of benefit terms                                      | -                       | -                           | -                             |
| Changes in assumptions  | -                       | -                           | -                             |
| Differences between actual and expected experience            | 1,523,815               | -                           | 1,523,815                     |
| Plan to plan resource movement                                | -                       | (3,911)                     | 3,911                         |
| Contribution - employer                                       | -                       | 3,756,237                   | (3,756,237)                   |
| Contribution - employee                                       | -                       | 1,520,671                   | (1,520,671)                   |
| Net investment income   | -                       | 7,097,297                   | (7,097,297)                   |
| Benefit payments, including refunds of employee contributions | (6,327,905)             | (6,327,905)                 | -                             |
| Administrative expense  | -                       | (77,207)                    | 77,207                        |
| Other Miscellaneous Income/Expense                            | -                       | 250                         | (250)                         |
| Net changes   | 8,566,194               | 5,965,432                   | 2,600,762                     |
| Balance at June 30, 2019                                      | \$154,931,383           | \$114,156,134               | \$40,775,249                  |

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City for the Plan, calculated using the discount rate for the Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percent point lower or 1-percent point higher than the current rate:

|                       |              |
|-----------------------|--------------|
| 1% Decrease           | 6.15%        |
| Net Pension Liability | \$23,268,001 |
| 1% Decrease           | 7.15%        |
| Net Pension Liability | \$40,775,249 |
| 1% Increase           | 8.15%        |
| Net Pension Liability | \$61,968,584 |

Pension Plan Fiduciary Net Pension – Detailed information about the pension plan’s fiduciary net position is available in the separate issued CalPERS financial report.

**C. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension**

For the fiscal year ended June 30, 2020, the City recognized pension expense of \$7,774,740. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Pension contributions subsequent to measurement date                      | \$ 4,648,909                      | \$ -                             |
| Differences between actual and expected experience                        | 1,111,973                         | (520,194)                        |
| Changes in assumptions  | 1,354,427                         | (283,662)                        |
| Net differences between projected and actual earnings on plan investments | -                                 | (312,735)                        |
| Total   | <u>\$ 7,115,309</u>               | <u>\$ (1,116,591)</u>            |

The amount of \$4,648,909 was reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflow of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year Ended<br>June 30 | Annual<br>Amortization |
|-----------------------|------------------------|
| 2021                  | \$ 1,824,541           |
| 2022                  | (723,083)              |
| 2023                  | 131,687                |
| 2024                  | 116,664                |
| Total                 | <u>\$ 1,349,809</u>    |

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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Subsequent Event - CalPERS Pension Contribution Rates - The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019. As a result of these changes, the City's contribution rates for the fiscal year ended June 30, 2021 are expected to increase over the fiscal year 2020 contribution rates.

## 2. CALPERS Safety (Police & Fire) Employees Plan

### A. General Information about the Pension Plan

#### *Plan Descriptions*

All qualified public safety permanent and probationary employees are eligible to participate in the City's Safety Employee Pension Plan, cost-sharing multiple employer defined benefit plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

#### *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 nonduty disability benefits after 10 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' provisions and benefits in effect at June 30, 2020, are summarized as follows:

|   | Safety                   |                       |                       |
|---|--------------------------|-----------------------|-----------------------|
|   | Prior to<br>July 1, 2011 | After<br>July 1, 2011 | After<br>July 1, 2013 |
| Hire date   |                          |                       |                       |
| Benefit formula                                   | 3% @ 50                  | 3% @ 55               | 2.7% @ 57             |
| Benefit vesting schedule                          | 5 years service          | 5 years service       | 5 years service       |
| Benefit payments                                  | monthly for life         | monthly for life      | monthly for life      |
| Retirement age                                    | 50                       | 55                    | 57                    |
| Monthly benefits, as a % of eligible compensation | 3.0%                     | 2.0%-2.7%             | 2.0%-2.7%             |
| Required employee contribution rates              | 9.0%                     | 9.0%                  | 12.0%                 |
| Required employer contribution rates              | 21.927%                  | 18.928%               | 13.034%               |

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above as a dollar amount for contributions toward the unfunded actuarial liability (UAL). The dollar amounts are billed on a monthly basis or the City can elect a lump sum payment option. The City's required contribution for the unfunded liability in the Safety plan for the year ended June 30, 2020 was \$2,986,950, which were made under the lump sum payment option.

Contributions - Section 20814(c) of the California Public Employees' Retirement Law 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. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the fiscal year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the pension plan from the City were \$4,699,442 for the fiscal year ended June 30, 2020.

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

For purposes of measuring the net pension liability and deferred outflow/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS financial Office. 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.

As of June 30, 2020, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

|                              | <u>Safety Plans</u> |
|------------------------------|---------------------|
| Proportion - June 30, 2018   | 0.66669%            |
| Proportion - June 30, 2019   | 0.67916%            |
| Change - Increase (Decrease) | <u>0.01247%</u>     |



**CITY OF WATSONVILLE, CALIFORNIA**  
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For the year ended June 30, 2020, the City recognized pension expense of \$8,311,877 together with \$7,774,740 for the miscellaneous plan, the total pension expense for the city is \$16,086,617. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| Pension contributions subsequent to measurement date                         | \$4,699,442                       |                                  |
| Differences between actual and expected experience                           | 2,768,116                         |                                  |
| Changes in assumptions   | 1,737,763                         | (\$339,123)                      |
| Net differences between projected and actual earnings<br>on plan investments | -                                 | (583,237)                        |
| Differences between actual contributions and<br>proportional contributions   | -                                 | (1,202,938)                      |
| Adjustment due to differences in proportion                                  | 1,060,887                         | (48,736)                         |
| Total  | <u>\$10,266,208</u>               | <u>(\$2,174,034)</u>             |

The amount of \$4,699,442 was reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

| Year Ended<br>June 30 | Annual<br>Amortization |
|-----------------------|------------------------|
| 2021                  | \$3,000,992            |
| 2022                  | (140,005)              |
| 2023                  | 418,265                |
| 2024                  | 113,480                |
| Total                 | <u>\$3,392,732</u>     |

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

| Fiscal<br>Year Ended<br>June 30 | Safety Plan<br>Annual<br>Amortization | Miscellaneous Plan<br>Annual<br>Amortization | Total<br>Annual<br>Amortization |
|---------------------------------|---------------------------------------|--|---------------------------------|
| 2021                            | \$3,000,992                           | \$1,824,541                                  | \$4,825,533                     |
| 2022                            | (140,005)                             | (723,083)                                    | (863,088)                       |
| 2023                            | 418,265                               | 131,687                                      | 549,952                         |
| 2024                            | 113,480                               | 116,664                                      | 230,144                         |
| Total                           | <u>\$3,392,732</u>                    | <u>\$1,349,809</u>                           | <u>\$4,742,541</u>              |

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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*Actuarial Assumptions*

For the measurement period ended June 30, 2019, the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2018 total pension liabilities were based on the following actuarial methods and assumptions for all benefit tiers:

|                           |  |
|---------------------------|--|
| Valuation Date            | June 30, 2018  |
| Measurement Date          | June 30, 2019  |
| Actuarial Cost Method     | Entry-Age Normal Cost Method                               |
| Actuarial Assumptions:    |  |
| Discount Rate             | 7.15%  |
| Inflation                 | 2.50%  |
| Salary Increases          | (1)  |
| Investment Rate of Return | 7.15% (2)  |
| Mortality                 | Derived using CalPERS Membership<br>Data for all Funds (3) |

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, includes inflation
- (3) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using the Society of Actuarial Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

*Discount Rate* - The discount rate used to measure the total pension liability for the plan was 7.15%. The projection used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension 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 pension plan investment expense and inflation) are developed for each major asset class.

**CITY OF WATSONVILLE, CALIFORNIA**  
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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 cash flows. Using historical returns of all the funds' asset classes, expected compound 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 rounded 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.

The table below reflects the expected real rate of return by asset class.

| Asset Class (a)  | New<br>Strategic<br>Allocation | Real Return<br>Years 1 - 10(b) | Real Return<br>Years 11+(c) |
|------------------|--------------------------------|--------------------------------|-----------------------------|
| Global Equity    | 50.0%                          | 4.80%                          | 5.98%                       |
| Fixed Income     | 28.0%                          | 1.00%                          | 2.62%                       |
| Inflation Assets | 0.0%                           | 0.77%                          | 1.81%                       |
| Private Equity   | 8.0%                           | 6.30%                          | 7.23%                       |
| Real Assets      | 13.0%                          | 3.75%                          | 4.93%                       |
| Liquidity        | 1.0%                           | 0.00%                          | -0.92%                      |
| Total            | <u>100.0%</u>                  |                                |                             |

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

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

*Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in Discount Rate -*  
The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the City's proportionate share of 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:

|                       | Safety       |
|-----------------------|--------------|
| 1% Decrease           | 6.15%        |
| Net Pension Liability | \$63,769,115 |
| Current Discount Rate | 7.15%        |
| Net Pension Liability | \$42,396,602 |
| 1% Increase           | 8.15%        |
| Net Pension Liability | \$24,874,489 |

*Pension Plan Fiduciary Net Position* - Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

*Subsequent Event - CalPERS Pension Contribution Rates* - The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019. As a result of these changes, the City's contribution rates for the fiscal year ended June 30, 2021 are expected to increase over the fiscal year 2020 contribution rates.

**C. Successor Agency Private-Purpose Trust Fund for Assets of former Redevelopment Agency of the City of Watsonville.**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Watsonville that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or other unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local governments. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City.

**Resolution Number 4-12.**

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence as the date of the dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies are allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California 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 is not contractually committed to a third party for the expenditure or encumbrance of those assets, the state Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The following is a schedule of long-term liabilities for the fiscal year ended June 30, 2020:

|                                | Balance<br>June 30, 2019 | Retirements | Balance<br>June 30, 2020 | Due Within<br>One Year |
|--------------------------------|--------------------------|-------------|--------------------------|------------------------|
|                                | \$                       | \$          | \$                       | \$                     |
| Refunding tax allocation bonds | 10,700,000               | (1,225,000) | 9,475,000                | 1,265,000              |
| Bond Premium                   | 1,295,859                | (86,390)    | 1,209,469                |                        |
| Total Bonds                    | 11,995,859               | (1,311,390) | 10,684,469               | 1,265,000              |
| Notes Payable                  | 2,725,854                | (443,423)   | 2,282,431                | 900,000                |
| Net OPEB Liability             | 64,461                   | -           | 64,461                   |                        |
| Total                          | 14,786,174               | (1,754,813) | 13,031,361               | 2,165,000              |

**Tax allocation refunding bonds**

In June of 2004 the former Redevelopment Agency of the City of Watsonville issued tax allocation bonds in three series as follows:

1. Series A - \$19,000,000
2. Series B-1 - \$2,310,000
3. Series B-2 - \$4,635,000

In April of 2016 the Successor Agency issued \$11,790,000 2016 Tax Allocation Refunding Bonds, Series A and \$2,420,000 2016 Tax Allocation Refunding Bonds, Taxable Series B for a current refunding of the \$14,190,000 2004 Tax Allocation Bonds Series A and B-1 and \$2,720,000 Tax Allocation Taxable Series B-2 Bonds. The Series A refunding bonds had \$2,965,772 of additional funding and Series B had \$410,577 of additional funding. The refunding was done to reduce future debt service payments. The transaction resulted in an economic gain of \$3,269,616 and a reduction of \$3,856,103 in future debt service payments and accounting loss of \$191,117 which is shown as a deferred outflow of resources to be amortized over the life of the bonds.

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

The annual requirements to amortize the loan outstanding as of June 30, 2020 is as follows:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u>  | <u>Debt Service</u> |
|--------------------|------------------|------------------|---------------------|
|                    | \$               | \$               | \$                  |
| 2021               | 1,265,000        | 426,450          | 1,691,450           |
| 2022               | 1,325,000        | 363,200          | 1,688,200           |
| 2023               | 1,390,000        | 296,950          | 1,686,950           |
| 2024               | 1,465,000        | 227,450          | 1,692,450           |
| 2025               | 945,000          | 154,200          | 1,099,200           |
| 2026               | 295,000          | 106,950          | 401,950             |
| 2027               | 305,000          | 92,200           | 397,200             |
| 2028               | 325,000          | 76,950           | 401,950             |
| 2029               | 330,000          | 69,638           | 399,638             |
| 2030               | 340,000          | 61,800           | 401,800             |
| 2031               | 350,000          | 48,200           | 398,200             |
| 2032               | 370,000          | 34,200           | 404,200             |
| 2033               | 380,000          | 23,100           | 403,100             |
| 2034               | 390,000          | 11,700           | 401,700             |
| Total              | <u>9,475,000</u> | <u>1,992,988</u> | <u>11,467,988</u>   |

**Net OPEB Liability**

As of the transfer of the former Agency assets to the Successor Agency, the Net OPEB liability was \$64,461. This amount will be reduced by an allocation of future costs incurred by the City from former staff members of the former Agency.

**Notes Payable**

The City and former Agency had several notes payable from the former Agency to the City for various costs and fees associated with the construction of the Civic Plaza as follows:

|  |             |
|--|-------------|
| Parking Garage Loan for Construction Costs | \$2,282,431 |
|--|-------------|

The State of California deemed these notes as non-enforceable obligation, and the city could not be paid back until a finding of completion was received from the State's Department of Finance, which the City received on February 21, 2014 and the Successor Agency's oversight board made a finding that the notes were for legitimate redevelopment purpose. The Oversight Board also made the finding for all the above notes. The notes are allowed to add interest based on the State of California Local Agency Investment Fund's (LAIF) monthly interest rate. Interest has been projected for the debt service at the most recent rate available.

**CITY OF WATSONVILLE, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**Debt Payable Recap:**

**Parking Garage Loan**

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u>     |
|--------------------|------------------|-----------------|------------------|
|                    | \$               | \$              | \$               |
| 2021               | 900,000          | 3,772           | 903,772          |
| 2022               | 900,000          | 1,366           | 901,366          |
| 2023               | 482,431          | 876             | 483,307          |
| Total              | <u>2,282,431</u> | <u>6,014</u>    | <u>2,288,445</u> |

# **Required Supplementary Information**



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CITY OF WATSONVILLE, CALIFORNIA  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
LAST SIX FISCAL YEARS  
JUNE 30, 2020

The following table provides required supplementary information regarding the City's Miscellaneous Pension Plan:

|  | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>TOTAL PENSION LIABILITY</b>   | <b>\$</b>    | <b>\$</b>    | <b>\$</b>    | <b>\$</b>    | <b>\$</b>    | <b>\$</b>    |
| Service Cost   | 2,348,593    | 2,251,567    | 2,250,229    | 2,616,009    | 2,696,646    | 2,918,120    |
| Interest   | 8,369,558    | 8,741,399    | 9,093,428    | 9,502,933    | 9,872,907    | 10,452,164   |
| Differences between expected and actual experience                         | -            | (1,088,430)  | (1,307,204)  | (160,738)    | (622,350)    | 1,523,815    |
| Changes in assumptions   | -            | (2,194,095)  | -            | 8,126,558    | (617,380)    | -            |
| Changes in benefits  | -            | -            | -            | -            | -            | -            |
| Benefit payments, including refunds of employee contributions              | (4,554,651)  | (4,874,482)  | (5,292,339)  | (5,612,765)  | (5,877,340)  | (6,327,905)  |
| Net change in total pension liability                                      | 6,163,500    | 2,835,959    | 4,744,114    | 14,471,997   | 5,452,483    | 8,566,194    |
| Total pension liability - beginning  | 112,697,136  | 118,860,636  | 121,696,595  | 126,440,709  | 140,912,706  | 146,365,189  |
| Total pension liability - ending (a)                                       | 118,860,636  | 121,696,595  | 126,440,709  | 140,912,706  | 146,365,189  | 154,931,383  |
| <b>PLAN FIDUCIARY NET POSITION</b>   |              |              |              |              |              |              |
| Contributions - employer   | 1,750,491    | 1,881,144    | 2,288,840    | 2,856,260    | 3,443,447    | 3,756,237    |
| Contributions - employee   | 1,087,253    | 1,064,147    | 1,145,223    | 1,265,745    | 1,301,275    | 1,520,671    |
| Net investment income (1)  | 14,090,974   | 2,081,010    | 501,726      | 10,269,390   | 8,537,327    | 7,097,297    |
| Administrative expense   | -            | (105,873)    | (57,299)     | (136,723)    | (457,364)    | (76,957)     |
| Benefit payments, including refunds of employee contributions              | (4,554,651)  | (4,874,482)  | (5,292,339)  | (5,612,765)  | (5,877,340)  | (6,327,905)  |
| Net Plan to Plan Resource Movement   | -            | -            | -            | (2,203)      | (250)        | (3,911)      |
| Other Miscellaneous Income/(Expense)                                       | -            | -            | -            | -            | -            | -            |
| Net change in plan fiduciary net position                                  | 12,374,067   | 45,946       | (1,413,849)  | 8,639,704    | 6,947,095    | 5,965,432    |
| Plan fiduciary net position - beginning                                    | 81,597,739   | 93,971,806   | 94,017,752   | 92,603,903   | 101,243,607  | 108,190,702  |
| Plan fiduciary net position - ending (b)                                   | 93,971,806   | 94,017,752   | 92,603,903   | 101,243,607  | 108,190,702  | 114,156,134  |
| Net pension liability - ending (a)-(b)                                     | 24,888,830   | 27,678,843   | 33,836,806   | 39,669,099   | 38,174,487   | 40,775,249   |
| Plan fiduciary net position as a percentage of the total pension liability | 79.06%       | 77.26%       | 73.24%       | 71.85%       | 73.92%       | 73.68%       |
| Covered payroll  | \$17,390,545 | \$17,452,658 | \$17,680,742 | \$18,366,981 | \$18,917,990 | \$20,531,347 |
| Net pension liability as percentage of covered-employee payroll            | 143.12%      | 158.59%      | 191.38%      | 215.98%      | 201.79%      | 198.60%      |

**Notes to Schedule:**

Benefit changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (aka. Golden Handshakes).  
Changes in assumptions: None.

(1) Net of administrative expenses.

\* Fiscal year 2015 was the 1st year of implementation. Years will be added until 10 years of data is reached.

CITY OF WATSONVILLE, CALIFORNIA  
SCHEDULE OF CONTRIBUTIONS  
LAST SIX FISCAL YEARS\*  
JUNE 30, 2020

The following table provides required supplementary information regarding the City's Miscellaneous Pension Plan.

|   | 2015        | 2016        | 2017        | 2018        | 2019        | 2020        |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
|   | \$          | \$          | \$          | \$          | \$          | \$          |
| Contractually required contribution                                   | 1,769,613   | 2,299,823   | 2,288,840   | 2,856,260   | 3,756,236   | 4,648,909   |
| Contributions in relation to the actuarially determined contributions | (1,769,613) | (2,299,823) | (2,288,840) | (2,856,260) | (3,756,236) | (4,648,909) |
| Contribution deficiency (excess)                                      | -           | -           | -           | -           | -           | -           |
| Covered payroll   | 17,452,658  | 17,680,742  | 18,366,981  | 18,917,990  | 19,029,329  | 20,531,347  |
| Contributions as a percentage of covered payroll                      | 10.14%      | 13.01%      | 12.46%      | 15.10%      | 19.74%      | 22.64%      |

**Notes to Schedule**

|   |  |
|---|--|
| Valuation date:   | 6/30/18  |
| Methods and assumptions used to determine contribution rates: |  |
| Discount Rate   | 7.15% @ 6/30/2018<br>7.15% @ 6/30/2017<br>7.65% @ 6/30/2016<br>7.65% @ 6/30/2015<br>7.50% @ 6/30/2014                      |
| Inflation   | 2.50%  |
| Salary increases  | Varies by Entry Age and Service  |
| Investment rate of return                                     | 7.15% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.                                      |
| Mortality Rate Table (1)                                      | Derived using CalPERS' Membership Data for all Funds   |
| Post Retirement Benefit Increase                              | Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter. |

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2017 experience study report.

\* Fiscal year 2015 was the 1st year of implementation. Years will be added until 10 years of data is reached.

CITY OF WATSONVILLE, CALIFORNIA  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
LAST SIX FISCAL YEARS\*  
JUNE 30, 2020

The following table provides required supplementary information regarding the City's Safety Pension Plan.

|   | <b>2015</b>       | <b>2016</b>       | <b>2017</b>       | <b>2018</b>       | <b>2019</b>       | <b>2020</b>       |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Proportion of the net pension liability   | 0.358953%         | 0.379737%         | 0.387650%         | 0.388914%         | 0.666691%         | 0.679156%         |
| Proportionate share of the net pension liability                                  | \$ 22,335,737     | \$ 26,064,837     | \$ 33,543,690     | \$ 38,569,604     | \$ 39,118,450     | \$ 42,396,602     |
| Covered payroll   | \$ 10,541,326     | \$ 9,190,095      | \$ 9,792,080      | \$ 11,557,360     | \$ 11,496,504     | \$ 11,783,799     |
| Proportionate share of the net pension liability as percentage of covered payroll | 211.89%           | 283.62%           | 342.56%           | 333.72%           | 340.26%           | 359.79%           |
| Plan's total pension liability  | \$ 30,829,966,631 | \$ 31,771,217,402 | \$ 18,961,274,094 | \$ 21,144,800,930 | \$ 22,053,702,155 | \$ 23,442,265,225 |
| Plan fiduciary net position   | \$ 24,607,502,515 | \$ 24,907,305,871 | \$ 13,782,056,004 | \$ 15,169,595,595 | \$ 16,186,149,467 | \$ 17,199,726,799 |
| Plan fiduciary net position as a percentage of the total pension liability        | 79.82%            | 78.40%            | 72.69%            | 71.74%            | 73.39%            | 73.37%            |

\* Fiscal year 2015 was the 1st year of implementation. Years will be added until 10 years of data is reached.

CITY OF WATSONVILLE, CALIFORNIA  
SCHEDULE OF CONTRIBUTIONS  
LAST SIX FISCAL YEARS\*  
JUNE 30, 2020

The following table provides required supplementary information regarding the City's Safety Pension Plan.

|   | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u>     | <u>2020</u>     |
|---|-------------|-------------|-------------|-------------|-----------------|-----------------|
|   | \$          | \$          | \$          | \$          | \$              | \$              |
| Actuarially determined contribution                                   | 2,648,853   | 2,921,288   | 3,364,471   | 3,606,866   | 3,940,104       | 4,649,154       |
| Contributions in relation to the actuarially determined contributions | (2,648,853) | (2,921,288) | (3,364,471) | (3,606,866) | (4,006,904)     | (4,699,442)     |
| Contribution deficiency (excess)                                      | <u>-</u>    | <u>-</u>    | <u>-</u>    | <u>-</u>    | <u>(66,800)</u> | <u>(50,288)</u> |
| Covered payroll   | 9,190,095   | 9,792,080   | 11,557,360  | 11,496,504  | 11,783,799      | 12,765,651      |
| Contributions as a percentage of covered payroll                      | 28.82%      | 29.83%      | 29.11%      | 31.37%      | 34.00%          | 36.81%          |

**Notes to Schedule**

|   |  |
|---|--|
| Valuation date:   | 6/30/18  |
| Methods and assumptions used to determine contribution rates: |  |
| Discount Rate   | 7.15% @ 6/30/2018<br>7.15% @ 6/30/2017<br>7.65% @ 6/30/2016<br>7.65% @ 6/30/2015<br>7.50% @ 6/30/2014                      |
| Inflation   | 2.50%  |
| Salary increases  | Varies by Entry Age and Service  |
| Investment rate of return                                     | 7.15% Net of Pension Plan Investment and   |
| Mortality Rate Table (1)                                      | Derived using CalPERS' Membership Data for all   |
| Post Retirement Benefit Increase                              | Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter. |

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality

\* Fiscal year 2015 was the 1st year of implementation. Years will be added until 10 years of data is reached.

# **City of Watsonville, California**

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

#### **Gas Tax**

The City of Watsonville receives various revenues from taxes imposed on the sale of gasoline. These funds are to be used for maintaining and improving Watsonville's roads and transportation system.

#### **Narcotics Assets Seizure**

Federal and State law authorize the seizure of assets used in the sale of illegal drugs. The proceeds from these seizures are to be used to further Police enforcement. These monies are accounted for in this fund.

#### **Business Development**

This fund collects a business license surcharge and downtown property tax assessment which is then remitted to the Chamber of Commerce and Economic Development for their respective purposes.

#### **Economic Development**

Funds held for economic development. The fund receives interest income and loan payoffs that are used to support economic development.

#### **Library**

The Library Fund receives sales tax, grants, donations and state subventions for the advancement of the Library in Watsonville. This fund receives such revenues and records their expenditures.

#### **Parks Development**

This fund's revenues are grants, park development impact fees and 1972 Landscape and Lighting Assessment fees. These funds are used to acquire, improve and maintain the government's parks.

#### **Retirement Tax**

The City of Watsonville participates in the California Public Employees Retirement System. The government's contribution for General Fund employees is funded by a voter approved property tax override. The tax is collected in this fund and then used to pay for appropriate retirement expenses.

**(Continued)**

# **City of Watsonville, California**

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

#### **Parking Garage**

This fund is used to record operating costs used to maintain the government's parking garage downtown.

#### **Measure G**

This fund was established in 2014, the Citizens of Watsonville approved an additional sales tax of .5% for seven years to increase funding for public safety.

#### **Abandoned Vehicle**

The government has assigned a Watsonville Police Department Service Specialist to aggressively enforce all State laws and City of Watsonville Ordinances pertaining to the abatement of all abandoned, wrecked, dismantled, inoperative vehicles or parts from any and all private or public properties. This fund collects State and County funds used to pay for these services.

#### **Inclusionary Housing**

The government levies an impact fee on all market rate housing development, which either requires a specified number of below market housing units be created or the payment of a fee. This fund collects those fees and uses them to create low-income housing.

#### **SB 1 Gas Tax**

This fund was established in 2017, which increased the gas tax by \$0.12 per gallon, increased the diesel fuel tax by \$0.20 per gallon, increased the sales tax on diesel fuels by an additional 4 percentage points, created an annual transportation improvement fee, and created an annual zero-emission vehicles fee.

#### **Measure D**

This fund was established in 2017, Measure D is a comprehensive and inclusive package of transportation improvements passed in November 2016 by over 2/3 of Santa Cruz County voters. This ½-cent sales tax guarantees every city and the county a steady, direct source of local funding for local streets and road maintenance, bicycle and pedestrian projects (especially near schools), safety projects, and transit and paratransit service, as well as numerous essential transportation projects and programs throughout the county.

**(Concluded)**

CITY OF WATSONVILLE, CALIFORNIA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2020

|  | Special Revenue Funds |                                |                         |                         |           |                      |                   |
|--|-----------------------|--------------------------------|-------------------------|-------------------------|-----------|----------------------|-------------------|
|  | GAS<br>TAX            | NARCOTICS<br>ASSETS<br>SEIZURE | BUSINESS<br>DEVELOPMENT | ECONOMIC<br>DEVELOPMENT | LIBRARY   | PARKS<br>DEVELOPMENT | RETIREMENT<br>TAX |
|  | \$                    | \$                             | \$                      | \$                      | \$        | \$                   | \$                |
| ASSETS:  |                       |                                |                         |                         |           |                      |                   |
| Cash and investments   | 709,407               | 248,328                        | 98,551                  | 23,723                  | 462,126   | 2,012,199            | 163,026           |
| Receivables:   |                       |                                |                         |                         |           |                      |                   |
| Interest   | -                     | -                              | -                       | 40,570                  | -         | -                    | -                 |
| Taxes  | -                     | -                              | -                       | -                       | -         | -                    | 173,200           |
| Accounts   | 3,903                 | -                              | 1,189                   | -                       | 333,029   | 9,871                | -                 |
| Intergovernmental  | 340,762               | -                              | -                       | -                       | -         | -                    | -                 |
| Advances receivable  | -                     | -                              | -                       | -                       | 231,257   | 50,089               | -                 |
| Loans receivable   | -                     | -                              | -                       | 55,422                  | -         | -                    | -                 |
| Total Assets   | 1,054,072             | 248,328                        | 99,740                  | 119,715                 | 1,026,412 | 2,072,159            | 336,226           |
| LIABILITIES, DEFERRED INFLOWS OF<br>RESOURCES, AND FUND BALANCES:      |                       |                                |                         |                         |           |                      |                   |
| Liabilities:   |                       |                                |                         |                         |           |                      |                   |
| Accounts payable   | 161,445               | -                              | -                       | -                       | -         | 34,248               | -                 |
| Accrued personnel costs  | 14,651                | -                              | -                       | -                       | -         | 4,108                | -                 |
| Deposits   | -                     | 76,530                         | -                       | -                       | -         | -                    | -                 |
| Total Liabilities  | 176,096               | 76,530                         | -                       | -                       | -         | 38,356               | -                 |
| Deferred Inflows of Resources  |                       |                                |                         |                         |           |                      |                   |
| Unavailable revenue  | 340,762               | -                              | 3,316                   | 95,991                  | -         | -                    | -                 |
| Total Deferred Inflows of Resources                                    | 340,762               | -                              | 3,316                   | 95,991                  | -         | -                    | -                 |
| Total Liabilities and Deferred Inflows of<br>Resources                 | 516,858               | 76,530                         | 3,316                   | 95,991                  | -         | 38,356               | -                 |
| Fund Balances:   |                       |                                |                         |                         |           |                      |                   |
| Restricted for:  |                       |                                |                         |                         |           |                      |                   |
| Assets seizure   | -                     | 171,798                        | -                       | -                       | -         | -                    | -                 |
| Business development   | -                     | -                              | 96,424                  | -                       | -         | -                    | -                 |
| Economic development   | -                     | -                              | -                       | 23,724                  | -         | -                    | -                 |
| Library  | -                     | -                              | -                       | -                       | 1,026,412 | -                    | -                 |
| Parks development  | -                     | -                              | -                       | -                       | -         | 2,033,803            | -                 |
| Retirement tax   | -                     | -                              | -                       | -                       | -         | -                    | 336,226           |
| Measure G  | -                     | -                              | -                       | -                       | -         | -                    | -                 |
| Inclusionary housing   | -                     | -                              | -                       | -                       | -         | -                    | -                 |
| SB1 Gas tax  | 537,214               | -                              | -                       | -                       | -         | -                    | -                 |
| Measure D  | -                     | -                              | -                       | -                       | -         | -                    | -                 |
| Unassigned   | -                     | -                              | -                       | -                       | -         | -                    | -                 |
| Total Fund Balances  | 537,214               | 171,798                        | 96,424                  | 23,724                  | 1,026,412 | 2,033,803            | 336,226           |
| Total Liabilities, Deferred Inflows of<br>Resources, and Fund Balances | 1,054,072             | 248,328                        | 99,740                  | 119,715                 | 1,026,412 | 2,072,159            | 336,226           |

Continued



CITY OF WATSONVILLE, CALIFORNIA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2020

|  | Special Revenue Funds |           |                      |                         |                 |           | TOTAL      |
|--|-----------------------|-----------|----------------------|-------------------------|-----------------|-----------|------------|
|  | PARKING<br>GARAGE     | MEASURE G | ABANDONED<br>VEHICLE | INCLUSIONARY<br>HOUSING | SB 1<br>GAS TAX | MEASURE D |            |
|  | \$                    | \$        | \$                   | \$                      | \$              |           | \$         |
| ASSETS:  |                       |           |                      |                         |                 |           |            |
| Cash and investments   | 541                   | 2,364,166 | 18,863               | 1,626,303               | 1,036,098       | 1,893,706 | 10,657,037 |
| Receivables:   |                       |           |                      |                         |                 |           |            |
| Interest   | -                     | -         | -                    | 98,438                  | -               | -         | 139,008    |
| Taxes  | -                     | 754,114   | -                    | -                       | 140,232         | 62,144    | 1,129,690  |
| Accounts   | 40,112                | -         | 14,629               | -                       | -               | -         | 402,733    |
| Intergovernmental  | -                     | -         | -                    | -                       | -               | 179,614   | 520,376    |
| Advances receivable  | -                     | -         | -                    | 68,116                  | -               | -         | 349,462    |
| Loans receivable   | -                     | -         | -                    | 664,037                 | -               | -         | 719,459    |
| Total Assets   | 40,653                | 3,118,280 | 33,492               | 2,456,894               | 1,176,330       | 2,135,464 | 13,917,765 |
| LIABILITIES, DEFERRED INFLOWS OF<br>RESOURCES, AND FUND BALANCES:      |                       |           |                      |                         |                 |           |            |
| Liabilities:   |                       |           |                      |                         |                 |           |            |
| Accounts payable   | 11,110                | 194,448   | -                    | 13,488                  | -               | 41,457    | 456,196    |
| Accrued personnel costs  | -                     | 111,502   | -                    | 16,882                  | -               | 801       | 147,944    |
| Deposits   | -                     | -         | -                    | -                       | -               | -         | 76,530     |
| Due to other funds   | 459,624               | -         | -                    | -                       | -               | -         | 459,624    |
| Total Liabilities  | 470,734               | 305,950   | -                    | 30,370                  | -               | 42,258    | 1,140,294  |
| Deferred Inflows of Resources  |                       |           |                      |                         |                 |           |            |
| Unavailable revenue  | -                     | -         | -                    | 762,475                 | -               | -         | 1,202,544  |
| Total Deferred Inflows of Resources                                    | -                     | -         | -                    | 762,475                 | -               | -         | 1,202,544  |
| Total Liabilities and Deferred Inflows of<br>Resources                 | 470,734               | 305,950   | -                    | 792,845                 | -               | 42,258    | 2,342,838  |
| Fund Balances:   |                       |           |                      |                         |                 |           |            |
| Restricted for:  |                       |           |                      |                         |                 |           |            |
| Assets seizure   | -                     | -         | -                    | -                       | -               | -         | 171,798    |
| Business development   | -                     | -         | -                    | -                       | -               | -         | 96,424     |
| Economic development   | -                     | -         | -                    | -                       | -               | -         | 23,724     |
| Library  | -                     | -         | -                    | -                       | -               | -         | 1,026,412  |
| Parks development  | -                     | -         | -                    | -                       | -               | -         | 2,033,803  |
| Retirement tax   | -                     | -         | -                    | -                       | -               | -         | 336,226    |
| Measure G  | -                     | 2,812,330 | -                    | -                       | -               | -         | 2,812,330  |
| Abandoned vehicle  | -                     | -         | 33,492               | -                       | -               | -         | 33,492     |
| Inclusionary housing   | -                     | -         | -                    | 1,664,049               | -               | -         | 1,664,049  |
| SB1 Gas Tax  | -                     | -         | -                    | -                       | 1,176,330       | -         | 1,713,544  |
| Measure D  | -                     | -         | -                    | -                       | -               | 2,093,206 | 2,093,206  |
| Unassigned   | (430,081)             | -         | -                    | -                       | -               | -         | (430,081)  |
| Total Fund Balances  | (430,081)             | 2,812,330 | 33,492               | 1,664,049               | 1,176,330       | 2,093,206 | 11,574,927 |
| Total Liabilities, Deferred Inflows of<br>Resources, and Fund Balances | 40,653                | 3,118,280 | 33,492               | 2,456,894               | 1,176,330       | 2,135,464 | 13,917,765 |
|  |                       |           |                      |                         |                 |           | Concluded  |

**CITY OF WATSONVILLE, CALIFORNIA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

|  | Special Revenue Funds |                                |                         |                         |           |                      |                   |
|--|-----------------------|--------------------------------|-------------------------|-------------------------|-----------|----------------------|-------------------|
|  | GAS<br>TAX            | NARCOTICS<br>ASSETS<br>SEIZURE | BUSINESS<br>DEVELOPMENT | ECONOMIC<br>DEVELOPMENT | LIBRARY   | PARKS<br>DEVELOPMENT | RETIREMENT<br>TAX |
|  | \$                    | \$                             | \$                      | \$                      | \$        | \$                   | \$                |
| REVENUES:  |                       |                                |                         |                         |           |                      |                   |
| Taxes  | -                     | -                              | -                       | -                       | 3,360,455 | -                    | 3,531,089         |
| Licenses, permits and fees                                   | -                     | -                              | 89,967                  | -                       | 16,284    | 228,106              | -                 |
| Intergovernmental  | 3,175,863             | -                              | -                       | -                       | 56,504    | -                    | -                 |
| Charges for services   | -                     | -                              | -                       | -                       | -         | -                    | -                 |
| Interest   | -                     | 4,357                          | 2,195                   | -                       | 20,533    | 39,775               | -                 |
| Miscellaneous  | 373,984               | 50,755                         | 5,400                   | 2,393                   | 11,191    | 4,000                | -                 |
| Total revenues   | 3,549,847             | 55,112                         | 97,562                  | 2,393                   | 3,464,967 | 271,881              | 3,531,089         |
| EXPENDITURES:  |                       |                                |                         |                         |           |                      |                   |
| Current:   |                       |                                |                         |                         |           |                      |                   |
| General government   | -                     | -                              | 15,000                  | -                       | -         | -                    | 3,026             |
| Public safety  | -                     | 3,509                          | -                       | -                       | -         | -                    | -                 |
| Housing  | -                     | -                              | -                       | -                       | -         | -                    | -                 |
| Streets  | 3,030,354             | -                              | -                       | -                       | -         | -                    | -                 |
| Culture and recreation                                       | -                     | -                              | -                       | -                       | 3,581,353 | 316,779              | -                 |
| Total expenditures   | 3,030,354             | 3,509                          | 15,000                  | -                       | 3,581,353 | 316,779              | 3,026             |
| Excess (deficiency) of revenues over<br>(under) expenditures | 519,493               | 51,603                         | 82,562                  | 2,393                   | (116,386) | (44,898)             | 3,528,063         |
| OTHER FINANCING SOURCES (USES):                              |                       |                                |                         |                         |           |                      |                   |
| Transfers in   | -                     | -                              | -                       | -                       | -         | -                    | -                 |
| Transfers out  | -                     | -                              | (24,900)                | -                       | (82,932)  | -                    | (3,449,200)       |
| Total other financing sources (uses)                         | -                     | -                              | (24,900)                | -                       | (82,932)  | -                    | (3,449,200)       |
| Net change in fund balances                                  | 519,493               | 51,603                         | 57,662                  | 2,393                   | (199,318) | (44,898)             | 78,863            |
| Fund balances, July 1  | 17,721                | 120,195                        | 38,762                  | 21,331                  | 1,225,730 | 2,078,701            | 257,363           |
| Fund balances, June 30                                       | 537,214               | 171,798                        | 96,424                  | 23,724                  | 1,026,412 | 2,033,803            | 336,226           |

Continued

**CITY OF WATSONVILLE, CALIFORNIA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

|  | Special Revenue Funds |           |                      |                         |                 |           |             |
|--|-----------------------|-----------|----------------------|-------------------------|-----------------|-----------|-------------|
|  | PARKING<br>GARAGE     | MEASURE G | ABANDONED<br>VEHICLE | INCLUSIONARY<br>HOUSING | SB 1<br>GAS TAX | MEASURE D | TOTALS      |
|  | \$                    | \$        | \$                   | \$                      | \$              | \$        | \$          |
| REVENUES:  |                       |           |                      |                         |                 |           |             |
| Taxes  | -                     | 4,019,998 | -                    | -                       | -               | 851,564   | 11,763,106  |
| Licenses, permits and fees                                   | 143,521               | 8,970     | 66,294               | -                       | -               | -         | 553,142     |
| Intergovernmental  | -                     | -         | -                    | -                       | 918,317         | 252,512   | 4,403,196   |
| Charges for services   | -                     | -         | -                    | 16,189                  | -               | -         | 16,189      |
| Interest   | -                     | 46,723    | -                    | 35,834                  | 25,593          | 34,396    | 209,406     |
| Miscellaneous  | 107                   | -         | -                    | 173,228                 | -               | -         | 621,058     |
| Total revenues   | 143,628               | 4,075,691 | 66,294               | 225,251                 | 943,910         | 1,138,472 | 17,566,097  |
| EXPENDITURES:  |                       |           |                      |                         |                 |           |             |
| Current:   |                       |           |                      |                         |                 |           |             |
| General government   | 197,062               | -         | -                    | -                       | -               | -         | 215,088     |
| Public safety  | -                     | 4,381,817 | 82,912               | -                       | -               | -         | 4,468,238   |
| Housing  | -                     | -         | -                    | 361,901                 | -               | -         | 361,901     |
| Streets  | -                     | -         | -                    | -                       | 264,659         | 579,386   | 3,874,399   |
| Culture and recreation                                       | -                     | -         | -                    | -                       | -               | -         | 3,898,132   |
| Total expenditures   | 197,062               | 4,381,817 | 82,912               | 361,901                 | 264,659         | 579,386   | 12,817,758  |
| Excess (deficiency) of revenues over<br>(under) expenditures | (53,434)              | (306,126) | (16,618)             | (136,650)               | 679,251         | 559,086   | 4,748,339   |
| Transfers in   | 92,988                | -         | 40,000               | -                       | -               | -         | 132,988     |
| Transfers out  | (18,400)              | (286,307) | -                    | (18,591)                | -               | -         | (3,880,330) |
| Total other financing sources (uses)                         | 74,588                | (286,307) | 40,000               | (18,591)                | -               | -         | (3,747,342) |
| Net change in fund balances                                  | 21,154                | (592,433) | 23,382               | (155,241)               | 679,251         | 559,086   | 1,000,997   |
| Fund balances, July 1  | (451,235)             | 3,404,763 | 10,110               | 1,819,290               | 497,079         | 1,534,120 | 10,573,930  |
| Fund balances, June 30                                       | (430,081)             | 2,812,330 | 33,492               | 1,664,049               | 1,176,330       | 2,093,206 | 11,574,927  |

Concluded

**CITY OF WATSONVILLE, CALIFORNIA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

|                             | GAS TAX          |            |           |   | NARCOTICS ASSETS SEIZURE |           |         |   |
|-----------------------------|------------------|------------|-----------|---|--------------------------|-----------|---------|---|
|                             | Budgeted Amounts |            | Actual    | Variance With<br>Final Budget -<br>Positive<br>(Negative) | Budgeted Amounts         |           | Actual  | Variance With<br>Final Budget -<br>Positive<br>(Negative) |
|                             | Original         | Final      |           |   | Original                 | Final     |         |   |
|                             | \$               | \$         |           |   | \$                       | \$        |         |   |
| REVENUES:                   |                  |            |           |   |                          |           |         |   |
| Taxes                       | -                | -          | -         | -   | -                        | -         | -       | -   |
| Intergovernmental           | 10,210,782       | 10,210,782 | 3,175,863 | (7,034,919)   | -                        | -         | -       | -   |
| Interest                    | 6,000            | 6,000      | -         | (6,000)   | 1,500                    | 1,500     | 4,357   | 2,857   |
| Miscellaneous               | -                | -          | 373,984   | 373,984   | 10,000                   | 10,000    | 50,755  | 40,755  |
| Total revenues              | 10,216,782       | 10,216,782 | 3,549,847 | (6,666,935)   | 11,500                   | 11,500    | 55,112  | 43,612  |
| EXPENDITURES:               |                  |            |           |   |                          |           |         |   |
| Public safety               | -                | -          | -         | -   | 115,000                  | 115,000   | 3,509   | 111,491   |
| Streets                     | 8,790,492        | 9,418,680  | 3,030,354 | 6,388,326   | -                        | -         | -       | -   |
| Total expenditures          | 8,790,492        | 9,418,680  | 3,030,354 | 6,388,326   | 115,000                  | 115,000   | 3,509   | 111,491   |
| Net change in fund balances | 1,426,290        | 798,102    | 519,493   | 13,055,261  | (103,500)                | (103,500) | 51,603  | 155,103   |
| Fund balances, July 1       | 17,721           | 17,721     | 17,721    | -   | 120,195                  | 120,195   | 120,195 | -   |
| Fund balances, June 30      | 1,444,011        | 815,823    | 537,214   | 13,055,261  | 16,695                   | 16,695    | 171,798 | 155,103   |

**CITY OF WATSONVILLE, CALIFORNIA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

|  | BUSINESS DEVELOPMENT |          |          |   | ECONOMIC DEVELOPMENT |       |        |   |
|--|----------------------|----------|----------|---|----------------------|-------|--------|---|
|  | Budgeted Amounts     |          | Actual   | Variance With<br>Final Budget -<br>Positive<br>(Negative) | Budgeted Amounts     |       | Actual | Variance With<br>Final Budget -<br>Positive<br>(Negative) |
|  | Original             | Final    |          |   | Original             | Final |        |   |
|  | \$                   | \$       | \$       | \$  | \$                   | \$    | \$     | \$  |
| REVENUES:  |                      |          |          |   |                      |       |        |   |
| Licenses, permits and fees                                   | 85,000               | 85,000   | 89,967   | 4,967   | -                    | -     | -      | -   |
| Interest   | 1,425                | 1,425    | 2,195    | 770   | -                    | -     | -      | -   |
| Miscellaneous  | 6,000                | 6,000    | 5,400    | (600)   | -                    | -     | 2,393  | 2,393   |
| Total revenues   | 92,425               | 92,425   | 97,562   | 5,137   | -                    | -     | 2,393  | 2,393   |
| EXPENDITURES:  |                      |          |          |   |                      |       |        |   |
| Current:   |                      |          |          |   |                      |       |        |   |
| General government   | 73,000               | 73,000   | 15,000   | 58,000  | -                    | -     | -      | -   |
| Total expenditures   | 73,000               | 73,000   | 15,000   | 58,000  | -                    | -     | -      | -   |
| Excess (deficiency) of revenues over<br>(under) expenditures | 19,425               | 19,425   | 82,562   | 63,137  | -                    | -     | 2,393  | 2,393   |
| OTHER FINANCING SOURCES (USES):                              |                      |          |          |   |                      |       |        |   |
| Transfers out  | (24,900)             | (24,900) | (24,900) | -   | -                    | -     | -      | -   |
| Total other financing sources (uses)                         | (24,900)             | (24,900) | (24,900) | -   | -                    | -     | -      | -   |
| Net change in fund balances                                  | (5,475)              | (5,475)  | 57,662   | 63,137  | -                    | -     | 2,393  | 2,393   |
| Fund balances, July 1  | 38,762               | 38,762   | 38,762   | -   | -                    | -     | 21,331 | 21,331  |
| Fund balances, June 30                                       | 33,287               | 33,287   | 96,424   | 63,137  | -                    | -     | 23,724 | 23,724  |

**CITY OF WATSONVILLE, CALIFORNIA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

|  | LIBRARY          |           |           |   | PARKS DEVELOPMENT |           |           |   |
|--|------------------|-----------|-----------|---|-------------------|-----------|-----------|---|
|  | Budgeted Amounts |           | Actual    | Variance With<br>Final Budget -<br>Positive<br>(Negative) | Budgeted Amounts  |           | Actual    | Variance With<br>Final Budget -<br>Positive<br>(Negative) |
|  | Original         | Final     |           |   | Original          | Final     |           |   |
|  | \$               | \$        | \$        | \$  | \$                | \$        | \$        | \$  |
| REVENUES:  |                  |           |           |   |                   |           |           |   |
| Taxes  | 3,790,000        | 3,790,000 | 3,360,455 | (429,545)   | -                 | -         | -         | -   |
| Licenses, permits and fees                                   | 45,000           | 45,000    | 16,284    | (28,716)  | 191,985           | 191,985   | 228,106   | 36,121  |
| Intergovernmental  | 52,000           | 52,000    | 56,504    | 4,504   | -                 | -         | -         | -   |
| Interest   | 15,000           | 15,000    | 20,533    | 5,533   | 5,500             | 5,500     | 39,775    | 34,275  |
| Miscellaneous  | 9,000            | 9,000     | 11,191    | 2,191   | -                 | -         | 4,000     | 4,000   |
| Total revenues   | 3,911,000        | 3,911,000 | 3,464,967 | (446,033)   | 197,485           | 197,485   | 271,881   | 74,396  |
| EXPENDITURES:  |                  |           |           |   |                   |           |           |   |
| Current:   |                  |           |           |   |                   |           |           |   |
| Culture and recreation                                       | 3,643,196        | 3,643,196 | 3,581,353 | 61,843  | 297,590           | 297,590   | 316,779   | (19,189)  |
| Total expenditures   | 3,643,196        | 3,643,196 | 3,581,353 | 61,843  | 297,590           | 297,590   | 316,779   | (19,189)  |
| Excess (deficiency) of revenues over<br>(under) expenditures | 267,804          | 267,804   | (116,386) | (384,190)   | (100,105)         | (100,105) | (44,898)  | 55,207  |
| OTHER FINANCING SOURCES (USES):                              |                  |           |           |   |                   |           |           |   |
| Transfers out  | (82,932)         | (82,932)  | (82,932)  | -   | -                 | -         | -         | -   |
| Total other financing sources (uses)                         | (82,932)         | (82,932)  | (82,932)  | -   | -                 | -         | -         | -   |
| Net change in fund balances                                  | 184,872          | 184,872   | (199,318) | (384,190)   | (100,105)         | (100,105) | (44,898)  | 55,207  |
| Fund balances, July 1  | 1,225,730        | 1,225,730 | 1,225,730 | -   | 2,078,701         | 2,078,701 | 2,078,701 | -   |
| Fund balances, June 30                                       | 1,410,602        | 1,410,602 | 1,026,412 | (384,190)   | 1,978,596         | 1,978,596 | 2,033,803 | 55,207  |

**CITY OF WATSONVILLE, CALIFORNIA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

|  | RETIREMENT TAX        |                       |                       |   | PARKING GARAGE          |                         |                         |   |
|--|-----------------------|-----------------------|-----------------------|---|-------------------------|-------------------------|-------------------------|---|
|  | Budgeted Amounts      |                       | Actual                | Variance With<br>Final Budget -<br>Positive<br>(Negative) | Budgeted Amounts        |                         | Actual                  | Variance With<br>Final Budget -<br>Positive<br>(Negative) |
|  | Original              | Final                 |                       |   | Original                | Final                   |                         |   |
|  | \$                    | \$                    | \$                    | \$  | \$                      | \$                      | \$                      | \$  |
| REVENUES:  |                       |                       |                       |   |                         |                         |                         |   |
| Taxes  | 3,724,200             | 3,724,200             | 3,531,089             | (193,111)   | -                       | -                       | -                       | -   |
| Licenses, permits, and fees                                  | -                     | -                     | -                     | -   | 162,000                 | 162,000                 | 143,521                 | (18,479)  |
| Miscellaneous  | -                     | -                     | -                     | -   | -                       | -                       | 107                     | 107   |
| Total revenues   | <u>3,724,200</u>      | <u>3,724,200</u>      | <u>3,531,089</u>      | <u>(193,111)</u>  | <u>162,000</u>          | <u>162,000</u>          | <u>143,628</u>          | <u>(18,372)</u>   |
| EXPENDITURES:  |                       |                       |                       |   |                         |                         |                         |   |
| Current:   |                       |                       |                       |   |                         |                         |                         |   |
| General government   | -                     | -                     | 3,026                 | (3,026)   | 168,946                 | 168,946                 | 197,062                 | (28,116)  |
| Total expenditures   | <u>-</u>              | <u>-</u>              | <u>3,026</u>          | <u>(3,026)</u>  | <u>168,946</u>          | <u>168,946</u>          | <u>197,062</u>          | <u>(28,116)</u>   |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>3,724,200</u>      | <u>3,724,200</u>      | <u>3,528,063</u>      | <u>(196,137)</u>  | <u>(6,946)</u>          | <u>(6,946)</u>          | <u>(53,434)</u>         | <u>(46,488)</u>   |
| OTHER FINANCING SOURCES (USES):                              |                       |                       |                       |   |                         |                         |                         |   |
| Transfers in   | -                     | -                     | -                     | -   | 92,988                  | 92,988                  | 92,988                  | -   |
| Transfers out  | (3,849,200)           | (3,849,200)           | (3,449,200)           | 400,000   | (9,005)                 | (9,005)                 | (18,400)                | (9,395)   |
| Total other financing sources (uses)                         | <u>(3,849,200)</u>    | <u>(3,849,200)</u>    | <u>(3,449,200)</u>    | <u>400,000</u>  | <u>83,983</u>           | <u>83,983</u>           | <u>74,588</u>           | <u>(9,395)</u>  |
| Net change in fund balances                                  | <u>(125,000)</u>      | <u>(125,000)</u>      | <u>78,863</u>         | <u>203,863</u>  | <u>77,037</u>           | <u>77,037</u>           | <u>21,154</u>           | <u>(55,883)</u>   |
| Fund balances, July 1  | <u>257,363</u>        | <u>257,363</u>        | <u>257,363</u>        | <u>-</u>  | <u>(451,235)</u>        | <u>(451,235)</u>        | <u>(451,235)</u>        | <u>-</u>  |
| Fund balances, June 30                                       | <u><u>132,363</u></u> | <u><u>132,363</u></u> | <u><u>336,226</u></u> | <u><u>203,863</u></u>                                     | <u><u>(374,198)</u></u> | <u><u>(374,198)</u></u> | <u><u>(430,081)</u></u> | <u><u>(55,883)</u></u>                                    |

CITY OF WATSONVILLE, CALIFORNIA  
NONMAJOR SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|  | MEASURE G        |             |             |   | ABANDONED VEHICLE |          |          |   |
|--|------------------|-------------|-------------|---|-------------------|----------|----------|---|
|  | Budgeted Amounts |             | Actual      | Variance With<br>Final Budget -<br>Positive<br>(Negative) | Budgeted Amounts  |          | Actual   | Variance With<br>Final Budget -<br>Positive<br>(Negative) |
|  | Original         | Final       |             |   | Original          | Final    |          |   |
|  | \$               | \$          |             |   | \$                | \$       |          |   |
| REVENUES:  |                  |             |             |   |                   |          |          |   |
| Taxes  | 3,952,000        | 3,952,000   | \$4,019,998 | 67,998  | -                 | -        | -        | -   |
| Licenses, permits and fees                                   | 600              | 600         | 8,970       | 8,370   | 60,000            | 60,000   | 66,294   | 6,294   |
| Interest   | 10,000           | 10,000      | 46,723      | 36,723  | -                 | -        | -        | -   |
| Total revenues   | 3,962,600        | 3,962,600   | 4,075,691   | 113,091   | 60,000            | 60,000   | 66,294   | 6,294   |
| EXPENDITURES:  |                  |             |             |   |                   |          |          |   |
| Current:   |                  |             |             |   |                   |          |          |   |
| Public safety  | 5,333,775        | 5,333,775   | 4,381,817   | 951,958   | 82,912            | 82,912   | 82,912   | -   |
| Total expenditures   | 5,333,775        | 5,333,775   | 4,381,817   | 951,958   | 82,912            | 82,912   | 82,912   | -   |
| Excess (deficiency) of revenues over<br>(under) expenditures | (1,371,175)      | (1,371,175) | (306,126)   | 1,065,049   | (22,912)          | (22,912) | (16,618) | 6,294   |
| OTHER FINANCING SOURCES (USES):                              |                  |             |             |   |                   |          |          |   |
| Transfers in   | -                | -           | -           | -   | 40,000            | 40,000   | 40,000   | -   |
| Transfers out  | (286,307)        | (286,307)   | (286,307)   | -   | -                 | -        | -        | -   |
| Total other financing sources (uses)                         | (286,307)        | (286,307)   | (286,307)   | -   | 40,000            | 40,000   | 40,000   | -   |
| Net change in fund balances                                  | (1,657,482)      | (1,657,482) | (592,433)   | 1,065,049   | 17,088            | 17,088   | 23,382   | 6,294   |
| Fund balances, July 1  | 3,404,763        | 3,404,763   | 3,404,763   | -   | 10,110            | 10,110   | 10,110   | -   |
| Fund balances, June 30                                       | 1,747,281        | 1,747,281   | 2,812,330   | 1,065,049   | 27,198            | 27,198   | 33,492   | 6,294   |



**CITY OF WATSONVILLE, CALIFORNIA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

|  | INCLUSIONARY HOUSING |             |           |   | SB 1 - GAS TAX   |           |           |   |
|--|----------------------|-------------|-----------|---|------------------|-----------|-----------|---|
|  | Budgeted Amounts     |             | Actual    | Variance With<br>Final Budget -<br>Positive<br>(Negative) | Budgeted Amounts |           | Actual    | Variance With<br>Final Budget -<br>Positive<br>(Negative) |
|  | Original             | Final       |           |   | Original         | Final     |           |   |
|  | \$                   | \$          | \$        | \$  | \$               | \$        | \$        | \$  |
| REVENUES:  |                      |             |           |   |                  |           |           |   |
| Taxes  | -                    | -           | -         | -   | 817,840          | 817,840   | -         | (817,840)   |
| Licenses, permits and fees                                   | 22,000               | 22,000      | -         | (22,000)  | -                | -         | -         | -   |
| Intergovernmental  | -                    | -           | -         | -   | -                | -         | 918,317   | 918,317   |
| Charges for services   | 60,000               | 60,000      | 16,189    | (43,811)  | -                | -         | -         | -   |
| Interest   | 10,000               | 10,000      | 35,834    | 25,834  | 2,160            | 2,160     | 25,593    | 23,433  |
| Miscellaneous  | 5,000                | 5,000       | 173,228   | 168,228   | -                | -         | -         | -   |
| Total revenues   | 97,000               | 97,000      | 225,251   | 128,251   | 820,000          | 820,000   | 943,910   | 123,910   |
| EXPENDITURES:  |                      |             |           |   |                  |           |           |   |
| Current:   |                      |             |           |   |                  |           |           |   |
| Housing  | 885,205              | 1,685,205   | 361,901   | 1,323,304   | -                | -         | -         | -   |
| Streets  | -                    | -           | -         | -   | 1,491,747        | 1,491,747 | 264,659   | 1,227,088   |
| Total expenditures   | 885,205              | 1,685,205   | 361,901   | 1,323,304   | 1,491,747        | 1,491,747 | 264,659   | 1,227,088   |
| Excess (deficiency) of revenues over<br>(under) expenditures | (788,205)            | (1,588,205) | (136,650) | 1,451,555   | (671,747)        | (671,747) | 679,251   | (1,103,178)   |
| OTHER FINANCING SOURCES (USES):                              |                      |             |           |   |                  |           |           |   |
| Transfers out  | (50,000)             | (50,000)    | (18,591)  | 31,409  | -                | -         | -         | -   |
| Total other financing sources (uses)                         | (50,000)             | (50,000)    | (18,591)  | 31,409  | -                | -         | -         | -   |
| Net change in fund balance                                   | (838,205)            | (1,638,205) | (155,241) | 1,482,964   | (671,747)        | (671,747) | 679,251   | (1,103,178)   |
| Fund balance, July 1   | 1,819,290            | 1,819,290   | 1,819,290 | -   | 497,079          | 497,079   | 497,079   | -   |
| Fund balance, June 30  | 981,085              | 181,085     | 1,664,049 | 1,482,964   | (174,668)        | (174,668) | 1,176,330 | (1,103,178)   |

**CITY OF WATSONVILLE, CALIFORNIA**

**NONMAJOR SPECIAL REVENUE FUNDS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

|  | MEASURE D        |             |           | Variance With<br>Final Budget -<br>Positive<br>(Negative) |
|--|------------------|-------------|-----------|---|
|  | Budgeted Amounts |             | Actual    |   |
|  | Original         | Final       |           |   |
|  | \$               | \$          | \$        | \$  |
| REVENUES:  |                  |             |           |   |
| Taxes  | 879,820          | 879,820     | 851,564   | (28,256)  |
| Intergovernmental  | 330,000          | 330,000     | 252,512   | (77,488)  |
| Interest   | 5,000            | 5,000       | 34,396    | 29,396  |
| Total revenues   | 1,214,820        | 1,214,820   | 1,138,472 | (76,348)  |
| EXPENDITURES:  |                  |             |           |   |
| Current:   |                  |             |           |   |
| Streets  | 2,263,695        | 2,263,695   | 579,386   | 1,684,309   |
| Total expenditures   | 2,263,695        | 2,263,695   | 579,386   | 1,684,309   |
| Excess (deficiency) of revenues over<br>(under) expenditures | (1,048,875)      | (1,048,875) | 559,086   | 1,607,961   |
| Net change in fund balance                                   | (1,048,875)      | (1,048,875) | 559,086   | 1,607,961   |
| Fund balance, July 1   | 1,534,120        | 1,534,120   | 1,534,120 | -   |
| Fund balance, June 30  | 485,245          | 485,245     | 2,093,206 | 1,607,961   |

**CITY OF WATSONVILLE, CALIFORNIA**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

|  | Budgeted Amounts |           | Actual    | Variance With<br>Final Budget -<br>Positive<br>(Negative) |
|--|------------------|-----------|-----------|---|
|  | Original         | Final     |           |   |
|  | \$               | \$        | \$        | \$  |
| REVENUES:  |                  |           |           |   |
| Intergovernmental  | 58,914           | 58,914    | 59,510    | 596   |
| Special assessment   | 52,185           | 52,185    | 46,961    | (5,224)   |
| Total revenues   | 111,099          | 111,099   | 106,471   | (4,628)   |
| EXPENDITURES:  |                  |           |           |   |
| Debt service:  |                  |           |           |   |
| Principal  | 806,130          | 806,130   | 797,318   | 8,812   |
| Interest and fiscal charges                                  | 161,284          | 161,284   | 82,125    | 79,159  |
| Total expenditures   | 967,414          | 967,414   | 879,443   | 87,971  |
| Excess (deficiency) of revenues over<br>(under) expenditures | (856,315)        | (856,315) | (772,972) | 83,343  |
| OTHER FINANCING SOURCES (USES):                              |                  |           |           |   |
| Transfers in   | 856,316          | 856,316   | 882,619   | 26,303  |
| Total other financing sources (uses)                         | 856,316          | 856,316   | 882,619   | 26,303  |
| Net change in fund balance                                   | 1                | 1         | 109,647   | 109,646   |
| Fund balance, July 1   | 128,846          | 128,846   | 128,846   | -   |
| Fund balance, June 30  | 128,847          | 128,847   | 238,493   | 109,646   |

# STATISTICAL SECTION

This part of the City of Watsonville’s comprehensive annual financial report presents detailed information as a context for the understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

| <b>Contents</b>  | <b>Page</b> |
|--|-------------|
| Financial Trends   | 111         |
| These schedules contain trend information to help the reader understand how the city’s financial performance and well-being have changed over time.  |             |
| Revenue Capacity   | 116         |
| These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.  |             |
| Debt Capacity  | 121         |
| These schedules present information to help the reader assess the affordability of the city’s current levels of outstanding debt and the city’s ability to issue additional debt in the future.                    |             |
| Demographic and Economic Information   | 125         |
| These schedules offer the demographic and economic indicators to help the reader understand the environment within which the city’s financial activities take place.   |             |
| Operating Information  | 128         |
| These schedules contain service and infrastructure data to help the reader understand how the information in the city’s financial report relates to the services the city provides and the activities it performs. |             |

SOURCE: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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**CITY OF WATSONVILLE, CALIFORNIA**

**Net Position By Component**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

|   | <b>Fiscal Year</b> |                |                |                |                |                |                |                |                |                |
|---|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | <b>2011</b>        | <b>2012</b>    | <b>2013</b>    | <b>2014</b>    | <b>2015</b>    | <b>2016</b>    | <b>2017</b>    | <b>2018</b>    | <b>2019</b>    | <b>2020</b>    |
|   | <b>\$</b>          | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      |
| <b>Governmental activities</b>              |                    |                |                |                |                |                |                |                |                |                |
| Net investment in capital assets            | 112,462            | 128,634        | 121,354        | 118,302        | 114,148        | 110,806        | 111,256        | 108,892        | 110,033        | 109,660        |
| Restricted                                  | 46,586             | 39,086         | 41,689         | 42,945         | 44,188         | 16,754         | 16,496         | 19,849         | 19,803         | 8,803          |
| Unrestricted                                | (18,060)           | (7,011)        | (4,812)        | (2,634)        | (39,888)       | (7,184)        | (3,294)        | 475            | (1,797)        | 6,712          |
| Total governmental activities net position  | <u>140,988</u>     | <u>160,709</u> | <u>158,231</u> | <u>158,613</u> | <u>118,448</u> | <u>120,376</u> | <u>124,458</u> | <u>129,216</u> | <u>128,039</u> | <u>125,175</u> |
| <b>Business-type activities</b>             |                    |                |                |                |                |                |                |                |                |                |
| Net investment in capital assets            | 101,914            | 99,867         | 100,375        | 99,277         | 98,484         | 94,655         | 96,034         | 95,782         | 92,296         | 97,119         |
| Restricted                                  | 2,834              | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Unrestricted                                | 4,612              | 8,671          | 6,562          | 10,865         | (2,581)        | 2,587          | 5,524          | 9,085          | 20,058         | 19,821         |
| Total business-type activities net position | <u>109,360</u>     | <u>108,538</u> | <u>106,937</u> | <u>110,142</u> | <u>95,903</u>  | <u>97,242</u>  | <u>101,558</u> | <u>104,867</u> | <u>112,354</u> | <u>116,940</u> |
| <b>Primary government</b>                   |                    |                |                |                |                |                |                |                |                |                |
| Net investment in capital assets            | 214,376            | 228,501        | 221,729        | 217,579        | 212,632        | 205,461        | 207,290        | 204,674        | 202,329        | 206,779        |
| Restricted                                  | 49,420             | 39,086         | 41,689         | 42,945         | 44,188         | 16,754         | 16,496         | 19,849         | 19,803         | 22,228         |
| Unrestricted                                | (13,448)           | 1,660          | 1,750          | 8,231          | (42,469)       | (4,597)        | 2,230          | 9,560          | 18,261         | 13,109         |
| Total primary government net position       | <u>250,348</u>     | <u>269,247</u> | <u>265,168</u> | <u>268,755</u> | <u>214,351</u> | <u>217,618</u> | <u>226,016</u> | <u>234,083</u> | <u>240,393</u> | <u>242,116</u> |

**CITY OF WATSONVILLE, CALIFORNIA**

**Changes in Net Position  
Last Ten Fiscal Years**  
(accrual basis of accounting)  
(amounts expressed in thousands)

|   | Fiscal Year |        |        |        |        |        |        |        |         |         |
|---|-------------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
|   | 2011        | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019    | 2020    |
|   | \$          | \$     | \$     | \$     | \$     | \$     | \$     | \$     | \$      | \$      |
| <b>Expenses:</b>                                |             |        |        |        |        |        |        |        |         |         |
| Governmental activities:                        |             |        |        |        |        |        |        |        |         |         |
| General government                              | 8,010       | 7,729  | 7,140  | 11,773 | 5,494  | 7,151  | 8,257  | 7,032  | 15,143  | 13,812  |
| Public safety                                   | 22,258      | 18,888 | 21,249 | 23,020 | 25,716 | 27,751 | 27,382 | 30,972 | 31,221  | 35,811  |
| Housing   | 6,118       | 3,091  | 1,543  | 820    | 1,298  | 1,389  | 2,318  | 1,158  | 2,289   | 2,059   |
| Highways and streets                            | 7,775       | 8,926  | 7,110  | 6,708  | 4,697  | 3,043  | 6,348  | 5,974  | 8,561   | 6,931   |
| Culture and recreation                          | 7,498       | 7,510  | 7,511  | 7,334  | 7,916  | 8,613  | 7,817  | 8,591  | 9,152   | 9,850   |
| Interest on long term debt                      | 3,089       | 1,153  | 346    | 189    | 132    | 112    | 146    | 158    | 491     | 78      |
| Total government activities                     | 54,748      | 47,297 | 44,899 | 49,844 | 45,253 | 48,059 | 52,268 | 53,885 | 66,857  | 68,541  |
| Business-type activities:                       |             |        |        |        |        |        |        |        |         |         |
| Water   | 11,187      | 11,213 | 11,249 | 11,001 | 11,583 | 15,537 | 13,851 | 12,038 | 13,996  | 19,378  |
| Sewer   | 9,342       | 9,842  | 9,863  | 9,298  | 10,741 | 10,731 | 10,272 | 13,175 | 14,195  | 14,099  |
| Solid Waste                                     | 8,165       | 8,583  | 8,557  | 8,699  | 10,136 | 9,181  | 10,976 | 12,758 | 11,925  | 12,567  |
| Airport   | 2,520       | 2,539  | 3,347  | 2,888  | 2,580  | 2,225  | 2,684  | 3,382  | 5,118   | 3,803   |
| Fiber Optic                                     | -           | -      | -      | -      | -      | 8      | 41     | 46     | 68      | 59      |
| Total business-type activities                  | 31,214      | 32,177 | 33,016 | 31,886 | 35,040 | 37,682 | 37,824 | 41,399 | 45,302  | 49,906  |
| Total primary government                        | 85,962      | 79,474 | 77,915 | 81,730 | 80,293 | 85,741 | 90,092 | 95,284 | 112,159 | 118,447 |
| <b>Program Revenues:</b>                        |             |        |        |        |        |        |        |        |         |         |
| Governmental activities:                        |             |        |        |        |        |        |        |        |         |         |
| Charges for services:                           |             |        |        |        |        |        |        |        |         |         |
| General government                              | 4,177       | 3,095  | 3,489  | 9,249  | 5,488  | 5,524  | 8,426  | 8,285  | 12,233  | 8,649   |
| Public safety                                   | 1,556       | 1,703  | 1,623  | 1,549  | 1,396  | 1,853  | 1,780  | 1,875  | 822     | 874     |
| Housing   | 3,612       | 903    | 97     | 1,619  | 391    | -      | 675    | 289    | 866     | 782     |
| Highways and streets                            | 3,586       | 16     | 1,579  | 2,501  | 1,585  | 1,858  | 2,284  | 2,663  | 1,057   | 799     |
| Culture and recreation                          | 697         | 1,165  | 739    | 827    | 1,330  | 833    | 952    | 1,189  | 1,244   | 832     |
| Operating grants and contributions              | 3,443       | 6,906  | 4,926  | 2,657  | 2,393  | 3,590  | 3,310  | 2,772  | 2,501   | 5,988   |
| Capital grants and contributions                | 2,546       | 962    | -      | -      | -      | -      | -      | -      | -       | -       |
| Total governmental activities program revenues  | 19,617      | 14,750 | 12,453 | 18,402 | 12,583 | 13,658 | 17,427 | 17,073 | 18,723  | 17,924  |
| Business-type activities:                       |             |        |        |        |        |        |        |        |         |         |
| Charges for services:                           |             |        |        |        |        |        |        |        |         |         |
| Water   | 8,513       | 10,119 | 9,964  | 12,363 | 12,075 | 12,756 | 14,617 | 15,243 | 17,358  | 20,484  |
| Sewer   | 10,140      | 8,782  | 9,128  | 10,864 | 10,046 | 14,307 | 12,069 | 12,475 | 13,444  | 14,153  |
| Solid Waste                                     | 8,521       | 8,712  | 8,952  | 9,580  | 10,471 | 10,746 | 11,225 | 12,549 | 13,493  | 14,587  |
| Airport   | 1,973       | 2,229  | 2,254  | 1,844  | 1,956  | 2,159  | 1,937  | 2,576  | 5,595   | 3,713   |
| Fiber Optic                                     | -           | -      | -      | -      | -      | 23     | 44     | 43     | 45      | 74      |
| Operating grants and contributions              | 1,828       | 990    | 784    | 603    | 901    | 759    | 1,373  | 1,430  | 2,016   | 796     |
| Capital grants and contributions                | 128         | 172    | 994    | 1,156  | 590    | 659    | 1,104  | 311    | 94      | 163     |
| Total business-type activities program revenues | 31,103      | 31,004 | 32,076 | 36,410 | 36,039 | 41,409 | 42,369 | 44,627 | 52,045  | 53,970  |

Continued

**CITY OF WATSONVILLE, CALIFORNIA**

**Changes in Net Position**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

|   | <b>Fiscal Year</b> |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|---|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | <b>2011</b>        | <b>2012</b>     | <b>2013</b>     | <b>2014</b>     | <b>2015</b>     | <b>2016</b>     | <b>2017</b>     | <b>2018</b>     | <b>2019</b>     | <b>2020</b>     |
|   | <b>\$</b>          | <b>\$</b>       | <b>\$</b>       | <b>\$</b>       | <b>\$</b>       | <b>\$</b>       | <b>\$</b>       | <b>\$</b>       | <b>\$</b>       | <b>\$</b>       |
| Net (expense) / revenue                                   |                    |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities                                   | (35,132)           | (32,547)        | (32,448)        | (31,442)        | (32,670)        | (34,401)        | (34,840)        | (37,564)        | (48,134)        | (50,655)        |
| Business-type activities                                  | (111)              | (1,174)         | (939)           | 4,525           | 999             | 3,727           | 4,544           | 3,227           | 6,744           | 4,065           |
| Total primary government net expense                      | <u>(35,243)</u>    | <u>(33,721)</u> | <u>(33,387)</u> | <u>(26,917)</u> | <u>(31,671)</u> | <u>(30,674)</u> | <u>(30,296)</u> | <u>(34,337)</u> | <u>(41,390)</u> | <u>(46,590)</u> |
| <b>General Revenues and Other Changes in Net Position</b> |                    |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities:                                  |                    |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Taxes   |                    |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Property taxes  | 17,380             | 13,825          | 12,383          | 12,090          | 11,868          | 12,846          | 13,300          | 13,436          | 15,669          | 16,243          |
| Sales taxes   | 10,101             | 9,774           | 9,276           | 11,436          | 13,988          | 16,693          | 16,083          | 18,393          | 19,369          | 19,075          |
| Utility users taxes                                       | 2,938              | 2,934           | 3,068           | 3,029           | 3,437           | 3,183           | 3,679           | 4,019           | 4,011           | 4,265           |
| Franchise taxes   | 606                | 365             | 417             | 365             | 404             | 456             | 471             | 436             | 460             | 458             |
| Other taxes   | 1,075              | 708             | 1,069           | 1,120           | 1,295           | 1,457           | 1,792           | 2,060           | 3,125           | 2,906           |
| Intergovernmental revenue not restricted                  | 1,803              | 1,255           | 1,235           | 1,686           | 1,475           | 1,120           | 1,009           | 1,048           | 1,021           | 1,139           |
| Transfers   | -                  | -               | 171             | 211             | 226             | 232             | 308             | 270             | 272             | 251             |
| Unrestricted investment earnings                          | 873                | 2,190           | 2,173           | 1,890           | 1,916           | 2,098           | 2,218           | 2,660           | 3,030           | 3,416           |
| Total governmental activities                             | <u>34,776</u>      | <u>31,051</u>   | <u>29,792</u>   | <u>31,827</u>   | <u>34,609</u>   | <u>38,085</u>   | <u>38,860</u>   | <u>42,322</u>   | <u>46,957</u>   | <u>47,753</u>   |
| Business-type activities:                                 |                    |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Transfers   | -                  | -               | (171)           | (211)           | (226)           | (231)           | (308)           | (270)           | (272)           | (251)           |
| Unrestricted investment earnings                          | 1,116              | 724             | 291             | 263             | 269             | 201             | 206             | 352             | 1,014           | 811             |
| Total business-type activities                            | <u>1,116</u>       | <u>724</u>      | <u>120</u>      | <u>52</u>       | <u>43</u>       | <u>(30)</u>     | <u>(102)</u>    | <u>82</u>       | <u>742</u>      | <u>560</u>      |
| Total primary government                                  | <u>35,892</u>      | <u>31,775</u>   | <u>29,912</u>   | <u>31,879</u>   | <u>34,652</u>   | <u>38,055</u>   | <u>38,758</u>   | <u>42,404</u>   | <u>47,699</u>   | <u>48,313</u>   |
| <b>Change in net position before extraordinary item</b>   |                    |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities                                   | (356)              | (1,496)         | (2,656)         | 385             | 1,939           | 3,683           | 4,020           | 4,758           | (1,177)         | (2,863)         |
| Business-type activities                                  | 1,005              | (450)           | (819)           | 4,577           | 1,043           | 3,696           | 4,442           | 3,309           | 7,486           | 4,586           |
| Total primary government                                  | <u>649</u>         | <u>(1,946)</u>  | <u>(3,475)</u>  | <u>4,962</u>    | <u>2,982</u>    | <u>7,379</u>    | <u>8,462</u>    | <u>8,067</u>    | <u>6,309</u>    | <u>1,723</u>    |
| <b>Extraordinary items</b>                                |                    |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities                                   | -                  | 21,010          | -               | -               | -               | -               | -               | -               | -               | -               |
| Total primary government                                  | <u>-</u>           | <u>21,010</u>   | <u>-</u>        | <u>-</u>        | <u>-</u>        | <u>-</u>        | <u>-</u>        | <u>-</u>        | <u>-</u>        | <u>-</u>        |
| <b>Change in net position</b>                             |                    |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities                                   | (356)              | 19,514          | (2,656)         | 385             | 1,939           | 3,683           | 4,020           | 4,758           | (1,177)         | (2,863)         |
| Business-type activities                                  | 1,005              | (450)           | (819)           | 4,577           | 1,043           | 3,696           | 4,442           | 3,309           | 7,486           | 4,586           |
| Total primary government                                  | <u>649</u>         | <u>19,064</u>   | <u>(3,475)</u>  | <u>4,962</u>    | <u>2,982</u>    | <u>7,379</u>    | <u>8,462</u>    | <u>8,067</u>    | <u>6,309</u>    | <u>1,723</u>    |

Concluded



**CITY OF WATSONVILLE, CALIFORNIA**

**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

|                                    | <b>Fiscal Year</b> |               |               |               |               |               |               |               |               |               |
|------------------------------------|--------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                    | <b>2011</b>        | <b>2012</b>   | <b>2013</b>   | <b>2014</b>   | <b>2015</b>   | <b>2016</b>   | <b>2017</b>   | <b>2018</b>   | <b>2019</b>   | <b>2020</b>   |
|                                    | <b>\$</b>          | <b>\$</b>     | <b>\$</b>     | <b>\$</b>     | <b>\$</b>     | <b>\$</b>     | <b>\$</b>     | <b>\$</b>     | <b>\$</b>     | <b>\$</b>     |
| General fund                       |                    |               |               |               |               |               |               |               |               |               |
| Nonspendable                       | 69                 | 44            | 65            | 56            | 35            | 3,365         | 2,965         | 2,588         | 123           | 114           |
| Restricted                         | -                  | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Unassigned                         | 1,530              | 4,305         | 4,428         | 1,881         | 4,595         | 4,228         | 6,057         | 10,342        | 13,144        | 16,478        |
| Total general fund                 | <u>1,599</u>       | <u>4,349</u>  | <u>4,493</u>  | <u>1,937</u>  | <u>4,630</u>  | <u>7,593</u>  | <u>9,022</u>  | <u>12,930</u> | <u>13,267</u> | <u>16,592</u> |
| All other governmental funds       |                    |               |               |               |               |               |               |               |               |               |
| Restricted, reported in            |                    |               |               |               |               |               |               |               |               |               |
| Special revenue funds              | 10,483             | 12,158        | 12,069        | 12,021        | 14,566        | 18,216        | 17,880        | 20,926        | 20,607        | 22,465        |
| Debt service funds                 | 3,064              | 932           | 87            | 79            | 72            | 125           | 131           | 123           | 129           | 238           |
| Unassigned                         | (4,110)            | (1,967)       | (1,021)       | (910)         | (1,069)       | (770)         | (740)         | (728)         | (615)         | (475)         |
| Total all other governmental funds | <u>13,547</u>      | <u>11,123</u> | <u>11,135</u> | <u>11,190</u> | <u>13,569</u> | <u>17,571</u> | <u>17,271</u> | <u>20,321</u> | <u>20,121</u> | <u>22,228</u> |

**CITY OF WATSONVILLE, CALIFORNIA**

**Net Change in Fund Balances of Governmental Funds  
Last Ten Fiscal Years**

(modified accrual basis of accounting)  
(amounts expressed in thousands)

|   | <b>Fiscal Year</b> |               |               |                |               |               |               |               |               |               |
|---|--------------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | <b>2011</b>        | <b>2012</b>   | <b>2013</b>   | <b>2014</b>    | <b>2015</b>   | <b>2016</b>   | <b>2017</b>   | <b>2018</b>   | <b>2019</b>   | <b>2020</b>   |
|   | \$                 | \$            | \$            | \$             | \$            | \$            | \$            | \$            | \$            | \$            |
| <b>Revenues</b>   |                    |               |               |                |               |               |               |               |               |               |
| Taxes   | 33,903             | 28,860        | 27,448        | 29,725         | 32,466        | 35,754        | 36,198        | 39,392        | 43,655        | 42,029        |
| Licenses, permits, and fees                               | 3,506              | 3,272         | 2,757         | 4,855          | 5,248         | 5,795         | 5,885         | 6,642         | 5,971         | 5,315         |
| Intergovernmental   | 4,461              | 7,670         | 4,530         | 3,032          | 2,458         | 3,336         | 3,410         | 3,455         | 3,417         | 9,167         |
| Charges for services                                      | 5,243              | 4,773         | 4,704         | 2,447          | 2,458         | 2,945         | 2,770         | 3,224         | 3,072         | 3,534         |
| Fines   | 757                | 804           | 588           | 622            | 552           | 690           | 737           | 723           | 708           | 672           |
| Interest  | 1,127              | 2,344         | 2,309         | 2,084          | 2,076         | 2,168         | 2,435         | 2,869         | 3,405         | 3,280         |
| Special assessment  | 112                | 172           | 229           | 92             | 91            | 77            | 60            | 58            | 50            | 47            |
| Miscellaneous   | 449                | 956           | 475           | 825            | 1,995         | 2,810         | 1,871         | 2,491         | 3,007         | 3,826         |
| Total revenues  | <u>49,558</u>      | <u>48,851</u> | <u>43,040</u> | <u>43,682</u>  | <u>47,344</u> | <u>53,575</u> | <u>53,366</u> | <u>58,854</u> | <u>63,285</u> | <u>67,870</u> |
| <b>Expenditures</b>                                       |                    |               |               |                |               |               |               |               |               |               |
| Current:  |                    |               |               |                |               |               |               |               |               |               |
| General government  | 6,021              | 5,594         | 6,407         | 10,447         | 5,574         | 6,989         | 7,556         | 7,978         | 13,062        | 11,330        |
| Public safety   | 20,250             | 18,473        | 20,353        | 20,406         | 22,707        | 24,860        | 24,271        | 26,744        | 30,459        | 30,543        |
| Housing   | 5,919              | 3,191         | 1,566         | 820            | 1,298         | 1,389         | 2,318         | 1,158         | 2,289         | 2,059         |
| Streets   | 6,844              | 8,598         | 6,509         | 5,972          | 4,252         | 1,672         | 5,772         | 5,385         | 8,759         | 8,911         |
| Culture and recreation                                    | 5,745              | 6,152         | 6,051         | 6,505          | 7,172         | 7,090         | 7,079         | 7,837         | 9,406         | 9,076         |
| Capital outlay  | 1,877              | 3,929         | 1,134         | 1,581          | 817           | 3,286         | 4,833         | 2,404         |               |               |
| Debt service:   |                    |               |               |                |               |               |               |               |               |               |
| Principal   | 8,549              | 2,139         | 1,381         | 439            | 495           | 429           | 478           | 463           | 730           | 797           |
| Interest and fiscal charges                               | 3,086              | 1,267         | 299           | 195            | 159           | 183           | 173           | 161           | 220           | 82            |
| Total expenditures  | <u>58,291</u>      | <u>49,343</u> | <u>43,700</u> | <u>46,365</u>  | <u>42,474</u> | <u>45,898</u> | <u>52,480</u> | <u>52,130</u> | <u>64,925</u> | <u>62,798</u> |
| Excess (deficiency) of revenues over (under) expenditures | (8,733)            | (492)         | (660)         | (2,683)        | 4,870         | 7,677         | 886           | 6,724         | (1,640)       | 5,072         |
| <b>Other financing sources (uses)</b>                     |                    |               |               |                |               |               |               |               |               |               |
| Bond/note proceeds  | -                  | 3,014         | 695           | 191            | -             | -             | -             | -             | 1,541         | 144           |
| Transfers in  | 18,321             | 5,883         | 4,388         | 3,238          | 3,340         | 3,692         | 3,562         | 4,464         | 5,457         | 4,750         |
| Transfers out   | (18,321)           | (5,883)       | (4,217)       | (3,309)        | (3,150)       | (3,496)       | (3,290)       | (4,230)       | (5,222)       | (4,535)       |
| Total other financing sources (uses)                      | <u>-</u>           | <u>3,014</u>  | <u>866</u>    | <u>120</u>     | <u>190</u>    | <u>196</u>    | <u>272</u>    | <u>234</u>    | <u>1,776</u>  | <u>359</u>    |
| Net change in fund balances before extraordinary items    | (8,733)            | 2,522         | 206           | (2,563)        | 5,060         | 7,873         | 1,158         | 6,958         | 136           | 5,431         |
| Extraordinary items                                       | -                  | -228          | -             | -              | -             | -             | -             | -             | -             | -             |
| Net change in fund balances                               | <u>(8,733)</u>     | <u>2,294</u>  | <u>206</u>    | <u>(2,563)</u> | <u>5,060</u>  | <u>7,873</u>  | <u>1,158</u>  | <u>6,958</u>  | <u>136</u>    | <u>5,431</u>  |
| Debt service as a percentage of noncapital expenditures   | 10.5%              | 26.0%         | 8.1%          | 4.1%           | 1.4%          | 1.6%          | 1.5%          | 1.4%          | 1.5%          | 1.4%          |

\*\* Capital Outlay reconciliation amount was used for the percentage calculation. It reduced noncapital expenditures.

**CITY OF WATSONVILLE, CALIFORNIA**

**General Governmental Tax Revenues By Source  
Last Ten Fiscal Years**

(modified accrual basis of accounting)  
(amounts expressed in thousands)

| <b>Fiscal Year</b> | <b>Property Tax</b> | <b>Sales Tax</b> | <b>Franchise Tax</b> | <b>Utility User Tax</b> | <b>Other Tax</b> | <b>Total</b> |
|--------------------|---------------------|------------------|----------------------|-------------------------|------------------|--------------|
|                    | \$                  | \$               | \$                   | \$                      | \$               | \$           |
| 2011               | 13,825              | 9,774            | 9,276                | 12,383                  | 3,068            | 48,326       |
| 2012               | 12,383              | 9,276            | 417                  | 3,068                   | 1,069            | 26,213       |
| 2013               | 12,090              | 11,436           | 365                  | 3,029                   | 1,120            | 28,040       |
| 2014               | 12,090              | 11,436           | 365                  | 3,029                   | 1,120            | 28,040       |
| 2015               | 11,868              | 13,988           | 404                  | 3,437                   | 1,295            | 30,992       |
| 2016               | 12,846              | 16,693           | 455                  | 3,183                   | 1,457            | 34,634       |
| 2017               | 13,300              | 16,083           | 471                  | 3,679                   | 1,793            | 35,326       |
| 2018               | 13,436              | 18,393           | 436                  | 4,019                   | 3,108            | 39,392       |
| 2019               | 15,669              | 19,369           | 460                  | 4,011                   | 3,125            | 42,634       |
| 2020               | 16,243              | 19,075           | 458                  | 4,265                   | 2,906            | 42,947       |

Source: City of Watsonville Finance Department

**CITY OF WATSONVILLE, CALIFORNIA**

**Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years**  
(amounts expressed in thousands)

| <b>Fiscal<br/>Year<br/>Ended<br/>June 30</b> | <b>Residential<br/>Property</b> | <b>Commercial<br/>Property</b> | <b>Industrial<br/>Property</b> | <b>Other<br/>Property</b> | <b>Unsecured<br/>Property</b> | <b>Less:<br/>Tax Exempt<br/>Property</b> | <b>Taxable<br/>Assessed<br/>Value</b> | <b>Total<br/>Direct<br/>Tax<br/>Rate (1)</b> | <b>Estimated<br/>Actual<br/>Taxable<br/>Value</b> | <b>Assessed<br/>Value as a %<br/>of Actual<br/>Taxable Value</b> |
|--|---------------------------------|--------------------------------|--------------------------------|---------------------------|-------------------------------|--|---------------------------------------|--|---|--|
| \$   | \$                              | \$                             | \$                             | \$                        | \$                            | \$                                       | \$                                    | %  | \$  | %  |
| 2011   | 2,060,427                       | 570,451                        | 109,662                        | 330,169                   | 220,499                       | 162,368                                  | 3,128,840                             | 1.14   | 3,128,840   | 1.00   |
| 2012   | 2,072,140                       | 566,131                        | 104,236                        | 332,645                   | 211,702                       | 169,521                                  | 3,117,333                             | 1.15   | 3,117,333   | 1.00   |
| 2013   | 2,025,747                       | 565,486                        | 102,758                        | 336,060                   | 217,213                       | 177,934                                  | 3,069,330                             | 1.15   | 3,069,330   | 1.00   |
| 2014   | 2,091,245                       | 544,645                        | 103,080                        | 329,813                   | 212,372                       | 171,985                                  | 3,109,170                             | 1.18   | 3,109,170   | 1.00   |
| 2015   | 2,316,558                       | 548,165                        | 106,401                        | 350,110                   | 231,586                       | 185,687                                  | 3,367,133                             | 1.18   | 3,367,133   | 1.00   |
| 2016   | 2,456,187                       | 563,026                        | 115,344                        | 361,791                   | 235,517                       | 200,675                                  | 3,531,190                             | 1.18   | 3,531,190   | 1.00   |
| 2017   | 2,606,044                       | 626,252                        | 135,130                        | 394,814                   | 229,211                       | 229,936                                  | 3,761,515                             | 1.16   | 3,761,515   | 1.00   |
| 2018   | 2,757,691                       | 609,505                        | 168,676                        | 435,526                   | 259,425                       | 252,874                                  | 3,977,950                             | 1.17   | 3,977,950   | 1.00   |
| 2019   | 2,727,533                       | 583,841                        | 442,945                        | 421,714                   | 262,350                       | 222,957                                  | 4,215,426                             | 1.16   | 4,215,426   | 1.00   |
| 2020   | 2,858,513                       | 618,090                        | 470,547                        | 459,879                   | 277,705                       | 246,737                                  | 4,437,997                             | 1.09   | 4,437,997   | 1.00   |

Notes: Source: HDL, Coren & Cone  
Source: 2005-06 and Prior, Previously published CAFR Reports  
Source: ( - ) Data Unavailable  
\*Other value contains unitary amount of \$31,120  
\*\*Unsecured value includes aircraft  
(1.) Total Direct Tax Rate is represented by TRA 02-021  
(2.) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices.  
Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

**CITY OF WATSONVILLE, CALIFORNIA**

**Property Tax Rates - Direct  
and Overlapping  
(Per \$100 of Assessed Value)  
Last Ten Years**

| <b>Year</b> | <b>Basic<br/>Countywide<br/>Levy</b> | <b>School<br/>Districts</b> | <b>Retirement</b> | <b>Total</b> |
|-------------|--------------------------------------|-----------------------------|-------------------|--------------|
| 2011        | 1.000                                | 0.066                       | 0.077             | 1.143        |
| 2012        | 1.000                                | 0.071                       | 0.077             | 1.148        |
| 2013        | 1.000                                | 0.075                       | 0.077             | 1.152        |
| 2014        | 1.000                                | 0.109                       | 0.077             | 1.186        |
| 2015        | 1.000                                | 0.098                       | 0.077             | 1.175        |
| 2016        | 1.000                                | 0.101                       | 0.077             | 1.178        |
| 2017        | 1.000                                | 0.086                       | 0.077             | 1.163        |
| 2018        | 1.000                                | 0.094                       | 0.077             | 1.171        |
| 2019        | 1.000                                | 0.081                       | 0.077             | 1.158        |
| 2020        | 1.000                                | 0.087                       | 0.077             | 1.164        |

Source: HDL, Coren & Cone

**CITY OF WATSONVILLE, CALIFORNIA**  
**Principal Property Taxpayers**  
**June 30, 2020**  
(amounts expressed in thousands)

|                                | 2020                                  |             |   | 2011                                  |             |   |
|--------------------------------|---------------------------------------|-------------|---|---------------------------------------|-------------|---|
|                                | <b>Taxable<br/>Assessed<br/>Value</b> | <b>Rank</b> | <b>Percentage of<br/>Total Taxable<br/>Assessed<br/>Value</b> | <b>Taxable<br/>Assessed<br/>Value</b> | <b>Rank</b> | <b>Percentage of<br/>Total Taxable<br/>Assessed<br/>Value</b> |
|                                | \$                                    |             | %   | \$                                    |             | %   |
| MPT of Watsonville             | 61,917                                | 1           | 1.40%   |                                       |             |   |
| Martinelli Company Properties  | 57,774                                | 2           | 1.06%   | 37,064                                | 2           | 1.17%   |
| Ow George Jr Trustees          | 35,455                                | 3           | 0.82%   | 22,352                                | 3           | 0.71%   |
| Freedom Assoc LLC              | 25,239                                | 4           | 0.59%   | 19,688                                | 8           | 0.62%   |
| Hansen William J Neva J Co Tru | 24,745                                | 5           | 0.45%   |                                       |             |   |
| Blackbird Homes LLC            | 24,620                                | 6           |   |                                       |             |   |
| Home Depot Dev                 | 22,141                                | 7           | 0.51%   | 20,096                                | 7           | 0.64%   |
| Harvest Drive Properties LLC   | 21,922                                | 8           | 0.51%   |                                       |             |   |
| 111 Jennings Drive LLC         | 21,845                                | 9           |   |                                       |             |   |
| Tkg Iii Watsonville LLC        | 20,481                                | 10          | 0.48%   |                                       |             |   |
| Watsonville Hospital Corp      | 62,131                                |             | 1.47%   | 59,366                                | 1           | 1.88%   |
| Kaiser                         | 20,818                                |             | 0.49%   | 22,131                                | 4           | 0.70%   |
| WRI Freedom Center LP          |                                       |             |   |                                       |             |   |
| Terminal Freezers LLC          | 18,501                                |             | 0.44%   |                                       |             |   |
| Granite Construction Co        |                                       |             |   | 20,477                                | 5           | 0.65%   |
| Robert S Martinelli            |                                       |             |   | 20,126                                | 6           | 0.64%   |
| Dayton Hudson Corporation      |                                       |             |   | 15,676                                | 9           | 0.50%   |
| Cascade Properties LLC         |                                       |             |   | 15,663                                | 10          | 0.50%   |
| Totals                         | <u>417,589</u>                        |             | <u>8.24%</u>  | <u>252,639</u>                        |             | <u>8.01%</u>  |

Source: HDL, Coren & Cone

**CITY OF WATSONVILLE, CALIFORNIA**

**Property Tax Collection  
Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>Total *<br/>Tax Levy</b> | <b>Current Tax *<br/>Collections</b> | <b>Percent<br/>Of Levy<br/>Collected</b> | <b>Supplemental<br/>Tax<br/>Collections</b> | <b>Delinquent<br/>Tax *<br/>Collections</b> | <b>Total Tax<br/>Collections</b> |
|--------------------|-----------------------------|--------------------------------------|--|---|---|----------------------------------|
|                    | <b>\$</b>                   | <b>\$</b>                            | <b>\$</b>                                | <b>\$</b>                                   | <b>\$</b>                                   | <b>\$</b>                        |
| 2011               | 6,314,307                   | 6,314,307                            | 100%                                     | 37,941                                      | -   | 6,352,248                        |
| 2012               | 6,445,789                   | 6,445,789                            | 100%                                     | 59,830                                      | -   | 6,505,619                        |
| 2013               | 7,125,579                   | 7,125,579                            | 100%                                     | 30,475                                      | -   | 7,156,054                        |
| 2014               | 8,242,044                   | 8,242,044                            | 100%                                     | 69,092                                      | -   | 8,311,136                        |
| 2015               | 7,837,187                   | 7,837,187                            | 100%                                     | 112,079                                     | -   | 7,949,266                        |
| 2016               | 7,801,004                   | 7,801,004                            | 100%                                     | 117,264                                     | -   | 7,918,268                        |
| 2017               | 8,615,411                   | 8,615,411                            | 100%                                     | 200,484                                     | -   | 8,815,895                        |
| 2018               | 8,605,570                   | 8,605,570                            | 100%                                     | 225,296                                     | -   | 8,830,866                        |
| 2019               | 10,536,951                  | 10,536,951                           | 100%                                     | 238,730                                     | -   | 10,775,681                       |
| 2020               | 10,859,042                  | 10,859,042                           | 100%                                     | 212,455                                     | -   | 11,071,497                       |

Source: City of Watsonville

\*Property Tax collection equals property Tax collected due to agreement with the County of Santa Cruz.

With this agreement the City does not receive any Delinquent tax collection.

**CITY OF WATSONVILLE, CALIFORNIA**

**Ratio of Outstanding Debt By Type  
Last Ten Fiscal Years**

(amounts expressed in thousands, except per capita amount)

| <b>Fiscal<br/>Year</b> | <b>Governmental Activities</b>         |  |                           | <b>Business-Type Activities</b> |                              |                           | <b>Total<br/>Primary<br/>Government</b> | <b>Percentage<br/>of Personal<br/>Income</b> | <b>Per<br/>Capita</b> |
|------------------------|--|--|---------------------------|---------------------------------|------------------------------|---------------------------|---|--|-----------------------|
|                        | <b>General<br/>Obligation<br/>Debt</b> | <b>Special<br/>Assessment<br/>Debt</b> | <b>Capital<br/>Leases</b> | <b>Revenue<br/>Bonds</b>        | <b>Loans &amp;<br/>Notes</b> | <b>Capital<br/>Leases</b> |   |  |                       |
|                        | \$                                     | \$                                     | \$                        | \$                              | \$                           | \$                        | \$                                      |  |                       |
| 2011                   | 24,658                                 | 674                                    | 2,070                     | 33,311                          | 3,519                        | -                         | 64,232                                  | 8.01%  | 1.253                 |
| 2012*                  | 4,800                                  | 575                                    | 1,087                     | 32,237                          | 2,606                        | -                         | 41,305                                  | 5.95%  | 0.800                 |
| 2013                   | 5,241                                  | 467                                    | 86                        | 31,064                          | 5,321                        | -                         | 42,179                                  | 5.81%  | 0.817                 |
| 2014                   | 5,082                                  | 379                                    | -                         | 30,313                          | 8,181                        | -                         | 43,955                                  | 4.90%  | 0.852                 |
| 2015                   | 4,676                                  | 290                                    | -                         | 29,057                          | 11,124                       | -                         | 45,147                                  | 5.22%  | 0.875                 |
| 2016**                 | 4,254                                  | 214                                    | -                         | 677                             | 347                          | -                         | 5,492                                   | 0.59%  | 0.104                 |
| 2017                   | 3,818                                  | 149                                    | -                         | 461                             | 582                          | -                         | 5,010                                   | 0.50%  | 0.092                 |
| 2018                   | 3,406                                  | 98                                     | -                         | 235                             | 922                          | -                         | 4,661                                   | 0.47%  | 0.090                 |
| 2019                   | 4,283                                  | 49                                     | -                         | -                               | 1,639                        | -                         | 5,971                                   | 0.59%  | 0.113                 |
| 2020                   | 3,679                                  | -                                      | -                         | -                               | 1,693                        | -                         | 5,372                                   | 0.50%  | 0.104                 |

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

1 See the Schedule of Demographic and Economic Statistics for the personal income and population data.

\* Redevelopment Bonds were removed on 1/31/2012.

\*\* Water Revenue Bonds were removed on 6/30/2016



**CITY OF WATSONVILLE, CALIFORNIA**

**Ratio of Net General Obligation Debt Outstanding  
Last Ten Fiscal Years**  
(amounts expressed in thousands, except per capita amount)

| <b><u>Fiscal<br/>Year</u></b> | <b><u>General<br/>Obligation<br/>Debt</u></b><br>\$ | <b><u>Less: Amounts<br/>Available in Debt<br/>Service Fund</u></b><br>\$ | <b><u>Total</u></b><br>\$ | <b><u>Percentage of<br/>Estimated<br/>Actual Taxable<br/>Value of<br/>Property</u></b> | <b><u>Per<br/>Capita</u></b><br>\$ |
|-------------------------------|---|--|---------------------------|--|------------------------------------|
| 2011                          | 4,800   | 915  | 3,885                     | 0.12%  | 1,319                              |
| 2012                          | 5,241   | 932  | 4,309                     | 0.14%  | 1,198                              |
| 2013                          | 5,082   | 87   | 4,995                     | 0.16%  | 1,033                              |
| 2014                          | 4,676   | 79   | 4,597                     | 0.15%  | 1,123                              |
| 2015                          | 4,676   | 72   | 4,604                     | 0.15%  | 1,121                              |
| 2016                          | 4,254   | 125  | 4,129                     | 0.13%  | 1,250                              |
| 2017                          | 3,818   | 131  | 3,687                     | 0.12%  | 1,438                              |
| 2018                          | 3,406   | 123  | 3,283                     | 0.09%  | 1,615                              |
| 2019                          | 4,283   | 129  | 4,154                     | 0.10%  | 1,276                              |
| 2020                          | 3,679   | 238  | 3,441                     | 0.08%  | 1,497                              |

Note: Detail of the City's outstanding debt can be found in the notes to the financial statements.

See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for estimated actual property value data.

Population data can be found in the Schedule of Demographic and Economic Statistics

**CITY OF WATSONVILLE, CALIFORNIA**

**Legal Debt Margin Information  
Last Ten Fiscal Years**  
(amounts expressed in thousands)

|   | <b>Fiscal Year</b> |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> | <u><b>2015</b></u> | <u><b>2016</b></u> | <u><b>2017</b></u> | <u><b>2018</b></u> | <u><b>2019</b></u> | <u><b>2020</b></u> |
|   | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 |
| Debt limit  | 117,333            | 122,989            | 121,772            | 123,043            | 133,232            | 139,945            | 149,679            | 158,656            | 166,439            | 175,678            |
| Total net debt applicable to limit                                      | 24,658             | 4,800              | 5,241              | 5,082              | 4,676              | 4,129              | 3,687              | 3,283              | 4,154              | 3,441              |
| Legal debt margin   | <u>90,605</u>      | <u>117,136</u>     | <u>114,555</u>     | <u>118,367</u>     | <u>128,556</u>     | <u>135,816</u>     | <u>145,992</u>     | <u>155,373</u>     | <u>162,285</u>     | <u>172,237</u>     |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 21.015%            | 3.903%             | 4.304%             | 4.130%             | 3.510%             | 2.950%             | 2.463%             | 2.069%             | 2.496%             | 1.959%             |

Legal Debt Margin Calculation for Fiscal Year 2020

|  |                          |
|--|--------------------------|
| Assessed value   | \$ 4,437,997             |
| Add back: exempt real property                                     | <u>246,737</u>           |
| Total assessed value   | 4,684,734                |
| Debt Limit = 3.75% of assessed valuation                           | 175,678                  |
| Debt applicable to limit   | 3,679                    |
| Less: Amount set aside for repayment of<br>general obligation debt | <u>238</u>               |
| Total net debt applicable to limit                                 | <u>3,441</u>             |
| Legal debt margin  | <u><u>\$ 172,237</u></u> |

Source: City of Watsonville

# CITY OF WATSONVILLE, CALIFORNIA

## Computation of Direct and Overlapping Bonded Debt June 30, 2020

(amounts expressed in thousands, except per capita amount)

| Jurisdiction   | Total<br>Debt<br>Outstanding | Percentage<br>Applicable | Estimated<br>Share of<br>Overlapping<br>Debt |
|--|------------------------------|--------------------------|--|
|  | \$                           |                          | \$   |
| <b>Direct Debt:</b>  |                              |                          |  |
| City of Watsonville  | 3,679                        | 100%                     | 3,679  |
| <b>Total of Direct Debt</b>  |                              |                          | <b>3,679</b>                                 |
| <b>Overlapping Tax Debt:</b>   |                              |                          |  |
| Cabrillo Joint Community College District                              | 101,080                      | 9.14%                    | 9,235  |
| Pajaro Valley Unified School District                                  | 174,155                      | 26.56%                   | 46,254                                       |
| Santa Cruz County Certificates of<br>Participations                    | 66,595                       | 9.20%                    | 6,129  |
| Santa Cruz County Office of Education                                  | 8,516                        | 9.20%                    | 784  |
| Pajaro Valley Unified Achool District<br>Certificates of Participation | 16,160                       | 26.56%                   | 4,292  |
| City of Watsonville 1915 Act Bonds                                     | 98                           | 100.00%                  | 98   |
| Successor Agency   | 10,700                       | 100.00%                  | 10,700                                       |
| <b>Total Overlapping Debt</b>  | <b>377,304</b>               |                          | <b>77,491</b>                                |
| <b>Total Direct and Overlapping Bonded Debt</b>                        |                              |                          | <b>77,495</b>                                |

Percentage of overlapping agency's assessed valuation located within boundaries of the city.  
Share of Santa Cruz County Emergency Communications Center obligations.  
Excludes postretirement liability.

Source: California Municipal Statistics, Inc.

**CITY OF WATSONVILLE, CALIFORNIA**

**Demographic and Economic Statistics  
Last Ten Fiscal Years**

| <b><u>Fiscal Year</u></b> | <b><u>Population (1)</u></b> | <b><u>Personal (2)<br/>Income<br/>(amounts expressed<br/>in thousands)<br/>\$</u></b> | <b><u>Per<br/>Capita<br/>Personal<br/>Income<br/>\$</u></b> | <b><u>Median<br/>Age (3)</u></b> | <b><u>Education<br/>Level in<br/>Years of<br/>Formal<br/>Schooling</u></b> | <b><u>School (4)<br/>Enrollment</u></b> | <b><u>Unemployment<br/>Rate (5)</u></b> |
|---------------------------|------------------------------|---|---|----------------------------------|--|---|---|
| 2011                      | 51,243                       | 887,062   | 17.311  | 27.3                             |  | 19,542                                  | 22.4%                                   |
| 2012                      | 51,611                       | 859,308   | 16.650  | 29.9                             | N/A  | 19,914                                  | 20.5%                                   |
| 2013                      | 51,612                       | 873,974   | 16.934  | 29.2                             | N/A  | 20,001                                  | 19.4%                                   |
| 2014                      | 52,508                       | 896,824   | 17.080  | 29.7                             | N/A  | 20,362                                  | 19.3%                                   |
| 2015                      | 52,087                       | 864,719   | 16.601  | 29                               | N/A  | 20,438                                  | 19.2%                                   |
| 2016                      | 52,891                       | 934,271   | 17.664  | 29.9                             | N/A  | 20,354                                  | 19.2%                                   |
| 2017                      | 53,015                       | 981,527   | 18.514  | 30.1                             | N/A  | 20,400                                  | 19.2%                                   |
| 2018                      | 53,434                       | 1,052,216   | 19.692  | 29.7                             | N/A  | 20,279                                  | 19.3%                                   |
| 2019                      | 53,021                       | 1,014,448   | 19.133  | 29.7                             | N/A  | 20,106                                  | 10.4%                                   |
| 2020                      | 51,515                       | 1,068,567   | 20.742  | 30.3                             | N/A  | 18,616                                  | 10.1%                                   |

Source: MuniServices, LLC & Data Reporting Office Ca. Dept of Ed.

1.) Population Projections are provided by the California Department of Finance Projections.

2.) Income Data is derived from previous income adjusted for inflation.

3.) Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.

4.) Student Enrollment reflects the total number of students enrolled in the Pajaro Valley Unified School District. Other School Districts

**CITY OF WATSONVILLE, CALIFORNIA**

**Principal Employers  
Current Fiscal Year and Ten Years Ago**

|                                       | <u>2020</u>      |             |  | <u>2011</u>      |             |  |
|---------------------------------------|------------------|-------------|--|------------------|-------------|--|
|                                       | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> |
| Pajaro Valley Unified School District | 4,565            | 1           | 19.43%                                     | 2,061            | 1           | 13.67%                                     |
| Monterey Mushrooms Inc.               | 650              | 2           | 2.77%                                      |                  |             |  |
| Watsonville Community Hospital        | 591              | 3           | 2.51%                                      | 693              | 2           | 4.60%                                      |
| Granite Construction                  | 566              | 4           | 2.41%                                      |                  |             |  |
| City of Watsonville *                 | 425              | 6           | 1.81%                                      | 374              | 4           | 2.48%                                      |
| Salud Para La Gente                   | 445              | 5           | 1.89%                                      | 160              | 9           | 1.06%                                      |
| Fox Factory                           | 309              | 8           | 1.31%                                      | 400              | 3           | 2.65%                                      |
| West Marine Products                  | 256              | 10          | 1.09%                                      | 279              | 5           | 1.85%                                      |
| S Martinelli & Co.                    | 277              | 9           | 1.18%                                      | 180              | 7           | 1.19%                                      |
| Target                                |                  |             |  | 211              | 6           | 1.40%                                      |
| Couch Distributing                    |                  |             |  | 170              | 8           | 1.13%                                      |
| Lakeside Organic Gardens LLC          | 425              | 7           | 1.81%                                      |                  |             |  |
| Mi Pueblo Food Center                 |                  |             |  | 144              | 10          | 0.96%                                      |
| Total                                 | <u>8,509</u>     |             | <u>36.21%</u>                              | <u>4,672</u>     |             | <u>30.99%</u>                              |

Source: BL Data, MuniServices, LLC & Called Employers

Source: 2010-2011 previously published CAFR

\* Includes Certificated, classified & Admin.

\*\*Includes contractors.

(1) Total City Labor Force provided by EDD Labor Force Data

**CITY OF WATSONVILLE, CALIFORNIA**

**Full-time Equivalent City Government Employees by Function  
Last Ten Fiscal Years**

| <b>Function</b>               | <b><u>2011</u></b> | <b><u>2012</u></b> | <b><u>2013</u></b> | <b><u>2014</u></b> | <b><u>2015</u></b> | <b><u>2016</u></b> | <b><u>2017</u></b> | <b><u>2018</u></b> | <b><u>2019</u></b> |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| General Government            | 6                  | 7                  | 6                  | 6                  | 7                  | 7                  | 9                  | 9                  | 9                  |
| City Clerk                    | 4                  | 4                  | 3                  | 3                  | 3                  | 3                  | 3                  | 3                  | 3                  |
| Community Development         | 15                 | 16                 | 13                 | 14                 | 13                 | 11.5               | 14                 | 15                 | 16                 |
| Finance                       | 22                 | 22                 | 22                 | 17                 | 16                 | 16                 | 10                 | 10                 | 11                 |
| Fire                          | 36                 | 36                 | 36                 | 35                 | 41                 | 41                 | 40                 | 42                 | 43                 |
| Informaion Services *         | n/a                | n/a                | n/a                | n/a                | n/a                | n/a                | 8                  | 8                  | 8                  |
| Police:                       |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Officers                      | 70                 | 70                 | 73                 | 68                 | 64                 | 67.2               | 66                 | 75                 | 75                 |
| Civilians                     | 16                 | 18                 | 19                 | 17                 | 22                 | 26                 | 27                 | 22                 | 24                 |
| Library                       | 24                 | 24                 | 29                 | 29                 | 29                 | 27.41              | 25                 | 25                 | 26                 |
| Parks & Community<br>Services | 28                 | 30                 | 27                 | 27                 | 27                 | 25.88              | 26                 | 29                 | 29                 |
| Public Works                  | 17                 | 17                 | 16                 | 16                 | 16                 | 14                 | 14                 | 13                 | 15                 |
| Airport                       | 8                  | 8                  | 9                  | 9                  | 9                  | 9                  | 9                  | 10                 | 13                 |
| LLMAD                         | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  |
| Gas Tax                       | n/a                | n/a                | n/a                | n/a                | n/a                | n/a                | 0                  | 2                  | 4                  |
| Parking Garage                | 2                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| Redevelopment and<br>Housing  | 7                  | 10                 | 4                  | 4                  | 4                  | 5.2                | 3                  | 4                  | 4                  |
| Solid Waste                   | 34                 | 34                 | 37                 | 38                 | 36                 | 44                 | 46                 | 49                 | 43                 |
| Wastewater                    | 42                 | 41                 | 44                 | 46                 | 47                 | 49                 | 53                 | 55                 | 59                 |
| Water                         | 30                 | 30                 | 27                 | 31                 | 34                 | 35                 | 38                 | 41                 | 44                 |
|                               | <u>362</u>         | <u>368</u>         | <u>366</u>         | <u>361</u>         | <u>369</u>         | <u>382.19</u>      | <u>392</u>         | <u>413</u>         | <u>427</u>         |

\* Information Services was created and moved out of General Government.

Source: City of Watsonville's Biennial Budget documents.

## CITY OF WATSONVILLE, CALIFORNIA

Operating Indicators by Function  
Last Ten Fiscal Years

| Function  | <u>2011</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> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>General Government:</b>                                      |             |             |             |             |             |             |             |             |             |
| City Council meetings   | 24          | 25          | 24          | 22          | 27          | 19          | 21          | 25          | 25          |
| Resolutions processed   | 209         | 158         | 169         | 153         | 181         | 199         | 187         | 192         | 180         |
| Recruitments  | 21          | 36          | 29          | 52          | 46          | 59          | 66          | 41          | 55          |
| <b>Community Development:</b>                                   |             |             |             |             |             |             |             |             |             |
| Planning application reviews                                    | 341         | 289         | 332         | 259         | 393         | 361         | 369         | 423         | 442         |
| Construction inspections  | 1,508       | 1,459       | 1,784       | 1,851       | 1,725       | 1,165       | 2,933       | 3,828       | 3,624       |
| Building Permits  | 1,175       | 766         | 852         | 625         | 768         | 817         | 862         | 1,034       | 810         |
| <b>Finance:</b>   |             |             |             |             |             |             |             |             |             |
| Payroll checks issued   | 13,575      | 12,784      | 12,336      | 12,203      | 12,327      | 12,511      | 12,547      | 13,323      | 13,028      |
| Utility accounts  | 14,833      | 14,684      | 14,618      | 14,685      | 15,023      | 15,024      | 14,985      | 15,043      | 15,070      |
| A/P checks issued   | 7,879       | 7,634       | 7,484       | 7,460       | 7,313       | 7,517       | 7,644       | 7,588       | 8,062       |
| <b>Fire:</b>  |             |             |             |             |             |             |             |             |             |
| Field incidents dispatched                                      | 4,590       | 4,734       | 4,092       | 4,123       | 4,282       | 4,282       | 4,997       | 5,070       | 5,286       |
| <b>Information Services:</b>                                    |             |             |             |             |             |             |             |             |             |
| Client Computers  | 447         | 450         | 450         | 542         | 542         | 531         | 531         | 646         | 646         |
| <b>Library:</b>   |             |             |             |             |             |             |             |             |             |
| Items used/checked out  | 327,961     | 231,384     | 259,986     | 262,929     | 411,234     | 411,234     | 439,234     | 272,468     | 326,888     |
| <b>Parks &amp; Community Services:</b>                          |             |             |             |             |             |             |             |             |             |
| Registered Participants   | 856         | 807         | 628         | 506         | 549         | 475         | 479         | 413         | 297         |
| <b>Police:</b>  |             |             |             |             |             |             |             |             |             |
| Moving and Parking Citations                                    | 10,599      | 12,161      | 11,204      | 9,876       | 10,524      | 11,105      | 12,747      | 9,600       | 15,659      |
| Service Calls Dispatch  | 57,651      | 62,047      | 62,126      | 61,239      | 65,288      | 69,668      | 67,632      | 65,635      | 44,386      |
| URC Crime Rate  | 32          | 32          | 27          | 25          | 39          | 40          | 43          | 38          | 34          |
| (# crimes/1,000 population, calendar years)                     |             |             |             |             |             |             |             |             |             |
| <b>Wastewater:</b>  |             |             |             |             |             |             |             |             |             |
| Avg. Annual volume per day septage treated (in million gallons) | 7.12        | 6.65        | 6.98        | 7.70        | 7.81        | 3.39        | 3.49        | 4.38        | 5.38        |
| <b>Water:</b>   |             |             |             |             |             |             |             |             |             |
| Water production (acre feet)                                    | 7,300       | 7,758       | 7,761       |             | 7,163       | 6,597       | 6,648       | 7,102       | 6,906       |
| <b>Solid Waste:</b>   |             |             |             |             |             |             |             |             |             |
| Refuse handled (tons)   | 32,936      | 32,812      | 32,995      | 32,607      | 40,204      | 41,389      | 36,028      | 34,286      | 35,109      |
| Recycled material (tons)  | 4,006       | 6,258       | 5,847       | 6,041       | 4,946       | 7,466       | 7,081       | 8,188       | 7,070       |

Source: City of Watsonville departments

**CITY OF WATSONVILLE, CALIFORNIA**

**Capital Assets Statistics by Function  
Last Ten Fiscal Years**

| <b>Function</b>                        | <b><u>2011</u></b> | <b><u>2012</u></b> | <b><u>2013</u></b> | <b><u>2014</u></b> | <b><u>2015</u></b> | <b><u>2016</u></b> | <b><u>2017</u></b> | <b><u>2018</u></b> | <b><u>2019</u></b> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Police:</b>                         |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Stations                               | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  |
| Patrol units                           | 18                 | 18                 | 18                 | 18                 | 17                 | 17                 | 17                 | 22                 | 22                 |
| Patrol motorcycles                     | 6                  | 6                  | 6                  | 6                  | 4                  | 5                  | 5                  | 5                  | 5                  |
| <b>Library:</b>                        |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Buildings                              | 2                  | 2                  | 2                  | 2                  | 2                  | 2                  | 2                  | 2                  | 2                  |
| <b>Parks &amp; Community Services:</b> |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Parks                                  | 21                 | 21                 | 21                 | 21                 | 26                 | 26                 | 26                 | 26                 | 26                 |
| Acreage of parks                       | 85.0               | 85.0               | 85.0               | 85.0               | 143.0              | 143.0              | 143.0              | 143.0              | 143.0              |
| Community Centers                      | 6                  | 6                  | 6                  | 6                  | 5                  | 5                  | 5                  | 5                  | 6                  |
| <b>Public Works:</b>                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Miles of streets                       | 96                 | 96                 | 96                 | 96                 | 89                 | 89                 | 89                 | 89                 | 89                 |
| <b>Airport:</b>                        |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Runways                                | 2                  | 2                  | 2                  | 2                  | 2                  | 2                  | 2                  | 2                  | 2                  |
| <b>Wastewater:</b>                     |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Treatment plants                       | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  |
| Capacity of treatment plant*           | 16.5               | 12.1               | 12.1               | 12.1               | 12.1               | 12.1               | 12.1               | 12.1               | 12.1               |
| *(gallons per day in millions)         |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Water:</b>                          |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Maximum pumping capacity*              | 18.7               | 18.7               | 18.7               | 18.7               | 19.1               | 19.1               | 19.1               | 19.1               | 19.1               |
| Average consumption*                   | 6.3                | 6.3                | 6.3                | 6.3                | 6.1                | 5.9                | 5.9                | 5.9                | 6.2                |
| *(gallons per day in millions)         |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Solid Waste:</b>                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Collection trucks                      | 20                 | 19                 | 16                 | 16                 | 16                 | 19                 | 19                 | 20                 | 20                 |

Source: City of Watsonville departments



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**City of Watsonville, California**

**Measure G Fund  
Financial Statements**

**For the Year Ended June 30, 2020**

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**CITY OF WATSONVILLE  
MEASURE G FUND  
FINANCIAL STATEMENTS  
For the Year Ended June 30, 2020**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of City Council  
of the City of Watsonville, California

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the Measure G Fund (Measure G) of the City of Watsonville, California (City), as of and for the year ended June 30, 2020, and the related notes to the 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 the 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 City's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing such an opinion on the effectiveness of the City'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 fairly, in all material respects, the financial position of the Measure G Fund as of June 30, 2020, and the change in financial position and the budgetary comparison as listed in the Table of Contents for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of a Matter***

As discussed in Note 1, the financial statements present only the Measure G Fund and do not purport to, and do not present fairly the financial position of the City of Watsonville as of June 30, 2020, the changes in its financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2020 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 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 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.

*Maze & Associates*

Pleasant Hill, California  
December 30, 2020

**CITY OF WATSONVILLE**  
**MEASURE G FUND**  
**BALANCE SHEET**  
**June 30, 2020**

**ASSETS**

|                      |                     |
|----------------------|---------------------|
| Cash and investments | \$ 2,364,166        |
| Accounts receivable  | 754,114             |
|                      | <hr/>               |
| <b>Total Assets</b>  | <b>\$ 3,118,280</b> |
|                      | <hr/> <hr/>         |

**LIABILITIES**

|                          |                |
|--------------------------|----------------|
| Accounts payable         | \$ 194,448     |
| Accrued liabilities      | 111,502        |
|                          | <hr/>          |
| <b>Total Liabilities</b> | <b>305,950</b> |
|                          | <hr/>          |

**FUND BALANCE**

|   |                     |
|---|---------------------|
| Restricted for:                           |                     |
| Fire services                             | 1,236,290           |
| Police services                           | 1,576,040           |
|   | <hr/>               |
| <b>Total Fund Balance</b>                 | <b>2,812,330</b>    |
|   | <hr/>               |
| <b>TOTAL LIABILITIES AND FUND BALANCE</b> | <b>\$ 3,118,280</b> |
|   | <hr/> <hr/>         |

See accompanying Notes to Basic Financial Statements.



**CITY OF WATSONVILLE  
MEASURE G FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGE IN FUND BALANCE  
For The Year Ended June 30, 2020**

**REVENUES**

|                        |              |
|------------------------|--------------|
| Sales tax - Fire       | \$ 1,607,999 |
| Sales tax - Police     | 2,411,999    |
| Interest - Fire        | 46,723       |
| Interest - Police      | -            |
| Other revenue - police | 8,970        |

|                       |                  |
|-----------------------|------------------|
| <b>Total Revenues</b> | <u>4,075,691</u> |
|-----------------------|------------------|

**EXPENDITURES**

|        |           |
|--------|-----------|
| Fire   | 1,191,001 |
| Police | 3,190,816 |

|                           |                  |
|---------------------------|------------------|
| <b>Total Expenditures</b> | <u>4,381,817</u> |
|---------------------------|------------------|

|  |                  |
|--|------------------|
| <b>Excess (deficiency) of revenues over expenditures</b> | <u>(306,126)</u> |
|--|------------------|

**OTHER FINANCING SOURCES (USES):**

|  |           |
|--|-----------|
| Transfers out for debt services payments | (286,307) |
|--|-----------|

|                                   |           |
|-----------------------------------|-----------|
| <b>NET CHANGE IN FUND BALANCE</b> | (592,433) |
|-----------------------------------|-----------|

**FUND BALANCE**

|                        |                            |
|------------------------|----------------------------|
| Beginning Fund Balance | <u>3,404,763</u>           |
| Ending Fund Balance    | <u><u>\$ 2,812,330</u></u> |

See accompanying Notes to Basic Financial Statements.

**CITY OF WATSONVILLE**  
**MEASURE G FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGE IN FUND BALANCE - BUDGET AND ACTUAL**  
**For The Year Ended June 30, 2020**

|  | Final<br>Budget       | Actual              | Variance<br>Favorable<br>(Unfavorable) |
|--|-----------------------|---------------------|--|
| <b>REVENUES</b>  |                       |                     |  |
| Sales tax - Fire   | \$ 1,580,800          | \$ 1,607,999        | \$ 27,199                              |
| Sales tax - Police                                       | 2,371,200             | 2,411,999           | 40,799                                 |
| Interest - Fire  | 5,000                 | 46,723              | 41,723                                 |
| Interest - Police  | 5,000                 | -                   | (5,000)                                |
| Other revenue - Police                                   | 600                   | 8,970               | 8,370                                  |
| <b>Total Revenues</b>                                    | 3,962,600             | 4,075,691           | 113,091                                |
| <b>EXPENDITURES</b>                                      |                       |                     |  |
| Fire:  |                       |                     |  |
| Salaries and Wages                                       | 886,919               | 908,582             | (21,663)                               |
| Operations   | 256,144               | 174,690             | 81,454                                 |
| Capital Outlay   | 419,000               | 107,729             | 311,271                                |
| Total Fire   | 1,562,063             | 1,191,001           | 371,062                                |
| Police:  |                       |                     |  |
| Salaries and Wages                                       | 1,712,269             | 1,547,039           | 165,230                                |
| Operations   | 668,673               | 530,395             | 138,278                                |
| Capital Outlay   | 1,390,770             | 1,113,382           | 277,388                                |
| Total Police   | 3,771,712             | 3,190,816           | 580,896                                |
| <b>Total Expenditures</b>                                | 5,333,775             | 4,381,817           | 951,958                                |
| <b>Excess (deficiency) of revenues over expenditures</b> | <u>\$ (1,371,175)</u> | (306,126)           | <u>\$ (838,867)</u>                    |
| <b>Other financing sources (uses):</b>                   |                       |                     |  |
| Transfers out for debt services payments                 |                       | (286,307)           |  |
| <b>FUND BALANCE</b>                                      |                       |                     |  |
| Beginning Fund Balance                                   |                       | 3,404,763           |  |
| Ending Fund Balance                                      |                       | <u>\$ 2,812,330</u> |  |

See accompanying Notes to Basic Financial Statements.

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**CITY OF WATSONVILLE  
MEASURE G FUND  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

In the June 3, 2014 election, City of Watsonville (City) voters approved Measure G, establishing a temporary half-cent transaction sales and use tax. The Measure G Fund (Fund) was established to accumulate revenues transmitted by the State Board of Equalization (BOE), the agency responsible for administering and collecting the transactions and use taxes for the City, and apportion them to essential services outlined within the approved expenditure plan.

The financial statements presented only the activities of the Measure G Fund, and are not intended to present the financial position and changes in financial position of the City of Watsonville, in accordance with accounting principles generally accepted in the United States of America.

**B. Basis of Accounting**

The Measure G Fund of the City is maintained on the modified accrual basis of accounting. As such, revenues are recognized when they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered).

**C. Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 - CASH AND INVESTMENTS**

Cash and investments at June 30, 2020, consist of the following:

|                                      |             |
|--------------------------------------|-------------|
| Pooled cash and investments with the |             |
| City of Watsonville                  | \$2,364,166 |

Please refer to the notes of the City's June 30, 2020 Comprehensive Annual Financial Report regarding cash and investments for additional detail.

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**INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE WITH THE APPLICABLE REQUIREMENTS  
AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Mayor and Members of City Council  
of the City of Watsonville, 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 City of Watsonville Measure G Fund (Measure G) as of and for the year ended June 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated December 30, 2020.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the Measure G financial statements, we considered the Measure G's internal control over financial reporting (internal control) to determine the 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 Measure G's internal control. Accordingly, we do not express an opinion on the effectiveness of Measure G'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 Measure G'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 Measure G'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 determination of financial statement amounts. Our procedures included the applicable audit procedures and tests of compliance with the applicable provisions of City Ordinance No. 1301-14 Section. 3- 6.1102 Program Restrictions. Section 3-6.1102 requires that an independent auditor shall perform at least the following tasks: (a) test expenditures to ensure Measure G revenue was being spent on hiring more police officers, helping improve police emergency response times, increase neighborhood patrols, maintain anti-gang and youth violence prevention, intervention and suppression efforts, including the Caminos and Police Activities League programs, upgrade equipment and technology to help solve crimes, catch criminals and fight gangs, expand programs to identify and shutdown gang houses, hire more firefighters to ensure enough are on duty, maintain fire and paramedic emergency response times, and replace inadequate and outdated life-saving equipment, (b) ensure that the city has created a Measure G fund with two separate divisions for Police and Fire into which new monies was deposited in the proportion of 60% to Police and 40% to Fire, (c) ensure that the City maintains a maintenance of effort from General Fund monies of at least the fiscal year 2013-2014 adopted General Fund budgeted amounts for Police and Fire operations, (d) ensure that no more than 2% of the annual budgeted revenues were spent on administrative overhead for accounting, payroll, and human resources, (e) ensure that the City has established a contingency fund that holds no less than 10% of annual budgeted revenues.

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*.

We have also issued a separate Memorandum on Internal Control dated December 30, 2020, which is an integral part of our audit and should be read in conjunction with this report.

### ***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 result of that testing, and not to provide an opinion on the effectiveness of the Measure G'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 Measure G's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the City Council, others within the City, and is not intended to be and should not be used by anyone other than these specified parties; however, this restriction is not intended to limit the distribution of the report, which is a matter of public records.

*Maze & Associates*

Pleasant Hill, California  
December 30, 2020

**RESOLUTION NO. \_\_\_\_\_ (CM)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
WATSONVILLE AMENDING THE 2020-2021 BUDGET TO AUTHORIZE  
\$414,665 BUDGET APPROPRIATION INTO VARIOUS FUNDS**

**Amends Resolution No. 113-20 (CM)**

**WHEREAS**, on June 23, 2020, the City Council adopted Resolution No. 113-20 (CM) approving the Final Budget for the City of Watsonville for fiscal year 2020-2021; and

**WHEREAS**, current projections show that without budget adjustments, departments will go over budget by the end of the fiscal year; and

**WHEREAS**, City staff recommends some increases to departmental budgets to meet increases in demand for services.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:**

That the City Council hereby authorizes certain budget appropriations for fiscal year 2020-2021, as fully described on Exhibit "A," attached hereto and incorporated herein for fiscal year ending June 30, 2021.

\*\*\*\*\*



# FY 2020-2021 Appropriation Details

| Item | Dept.     | Type    | Fund | Org | Object | Project | Acct. Description                           | FY 20-21<br>Amount | Explanation   |
|------|-----------|---------|------|-----|--------|---------|---|--------------------|---|
| 1    | Airport   | Expense | 0730 | 560 | 7011   |         | 7011 - REGULAR SALARIES & WAGES             | 19,074             | new position AOS Step 1                                 |
| 2    | Airport   | Revenue | 0730 | 560 | 5821   |         | 5821 - FUEL SALES                           | 19,074             | Additional revenue                                      |
| 3    | Police    | Expense | 0150 | 410 | 7011   |         | 7011 - REGULAR SALARIES & WAGES             | 30,563             | Increases due to new Police Mid Management Contract     |
| 4    | Police    | Expense | 0150 | 410 | 7011   |         | 7011 - REGULAR SALARIES & WAGES             | 8,479              | Upgrade one Police office to Police Sergeant            |
| 5    | Police    | Expense | 0150 | 410 | 7012   |         | 7012 - OVERTIME PAY                         | 50,000             | Overtime due to staffing turnover and major year events |
| 6    | Fire      | Expense | 0150 | 450 | 7012   |         | 7012 - OVERTIME PAY                         | 216,000            | Fire overtime   |
| 7    | Fire      | Revenue | 0150 | 450 | 5895   |         | 5895 - OTHER REVENUE                        | 50,099             | Fire overtime partial offset with reimbursments         |
| 8    | Non- Dept | Expense | 0150 | 280 | 7559   | 12112   | 12112 - CORONAVIRUS RESPONSE                | 100,000            | Coronavirus spending for FY 20-21                       |
| 9    | Non- Dept | Expense | 0150 | 280 | 7011   | 12130   | 12160 - LIGHTNING COMPLEX FIRE              | 56,784             | Non reimburseable spending on CZU fire                  |
| 10   | RDA       | Expense | 0202 | 361 | 7751   |         | 7751 - CHARGES IN - INTERDEPARTMENTAL       | 6,000              | Administrative Correction                               |
| 11   | Finance   | Expense | 0150 | 230 | 7752   |         | 7752 - CHARGES OUT - INTERDEPARTMENTAL      | (6,000)            | Administrative Correction                               |
| 12   | PW        | Expense | 0791 | 573 | 7012   |         | 7012 - OVERTIME PAY                         | 30,000             | MSC restructuring                                       |
| 13   | PW        | Expense | 0791 | 573 | 7226   |         | 7226 - COMPUTER SOFTWARE                    | 20,000             | MSC restructuring                                       |
| 14   | PW        | Expense | 0791 | 573 | 7324   |         | 7324 - REP & MAINT                          | 26,000             | MSC restructuring                                       |
| 15   | PW        | Expense | 0791 | 573 | 7505   |         | 7505 - VEHICLE PARTS & SUPPLIES             | 400,000            | MSC restructuring                                       |
| 16   | PW        | Expense | 0791 | 573 | 7562   |         | 7562 - FUELS & LUBRICANTS-CHARGE OUTS       | 37,500             | MSC restructuring                                       |
| 17   | PW        | Expense | 0791 | 573 | 7559   |         | 7559 - OTHER SUPPLIES & MATERIALS           | 18,300             | MSC restructuring                                       |
| 18   | PW        | Revenue | 0791 | 573 | 5247   |         | 5247 - MUNI SERVICE CENTER CHARGES          | 531,800            | MSC restructuring                                       |
| 19   | PW        | Expense | 0720 | 596 | 7369   |         | 7369 - FEES & PERMITS                       | 400,000            | PVWMA groundwater augmentation                          |
| 20   | PW        | Expense | 0720 | 913 | 7361   |         | 14827 - MASTER PLAN FOLLOW UP PRE-DESIGN ST | (190,000)          | realigning capital plan with rate study plan            |
| 21   | PW        | Expense | 0720 | 913 | 7831   |         | 14825 - AIRPORT BOOSTER PUMP STATION SEISMI | (217,000)          | realigning capital plan with rate study plan            |
| 22   | PW        | Expense | 0710 | 911 | 7805   | 14581   | 14581 - VACTOR SEWER TRUCK                  | 500,000            | realigning capital plan with rate study plan            |
| 23   | PW        | Expense | 0710 | 911 | 7813   | 14041   | 14041 - FREEDOM AT AIRPORT STORM DRAIN      | (80,000)           | realigning capital plan with rate study plan            |
| 24   | PW        | Expense | 0710 | 911 | 7835   | 14622   | 14622 - ATKINSON FREEDOM SYDNEY&JEHL STORM  | (426,208)          | realigning capital plan with rate study plan            |
| 25   | PW        | Expense | 0710 | 911 | 7855   | 14328   | 14328 - WWTP INFRASTRUCTURE REPAIRS/REPLA   | (584,972)          | realigning capital plan with rate study plan            |
| 26   | PW        | Expense | 0710 | 911 | 7855   | 14793   | 14793 - SOLIDS THICKENING PROCESS IMPROVEME | (351,000)          | realigning capital plan with rate study plan            |
| 27   | PW        | Expense | 0710 | 540 | 7011   |         | 7011 - REGULAR SALARIES & WAGES             | 43,935             | Safety Compliance Officer                               |
| 28   | PW        | Expense | 0710 | 540 | 7011   |         | 7011 - REGULAR SALARIES & WAGES             | 25,901             | Principal Planner                                       |
| 29   | CDD       | Expense | 0150 | 315 | 7011   |         | 7011 - REGULAR SALARIES & WAGES             | 25,901             | Principal Planner                                       |
| 30   | CDD       | Expense | 0150 | 315 | 7011   |         | 7011 - REGULAR SALARIES & WAGES             | 24,409             | Permit Tech   |
| 31   | CDD       | Expense | 0150 | 315 | 7309   |         | 7309 - REIMBURSABLE CONSULTATION SVCS       | 20,000             | Increase in contract work for approved contracts        |
| 32   | CDD       | Expense | 0150 | 315 | 7361   |         | 7361 - OTHER CONTRACT SERVICES              | 80,000             | Increase in contract work for approved contracts        |
| 33   | CDD       | Revenue | 0150 | 315 | 5211   |         | 5211 - ENGINEERING PERMIT FEES              | 80,310             | Revenue offsets   |
| 34   | CDD       | Revenue | 0150 | 315 | 5131   |         | 5131 - PLANNING PERMITS                     | 70,000             | Revenue offsets   |
| 35   | PCS       | Expense | 0150 | 680 | 7011   |         | 7011 - REGULAR SALARIES & WAGES             | 21,000             | Increases due to new contract with OE3                  |
| 36   | PCS       | Expense | 0150 | 690 | 7361   |         | 7361 - OTHER CONTRACT SERVICES              | 80,000             | Impact Fee study for Parks in Lieu and Arts Fees        |
| 37   | PCS       | Expense | 0150 | 901 | 7855   | 14757   | 14757 - ADDITIONAL PARKS AND COMMUNITY SERV | 30,000             | Various parks improvements                              |

# Budget Update



**CINDY CZERWIN**  
**ADMINISTRATIVE SERVICES DIRECTOR**  
**FEBRUARY 9, 2020**

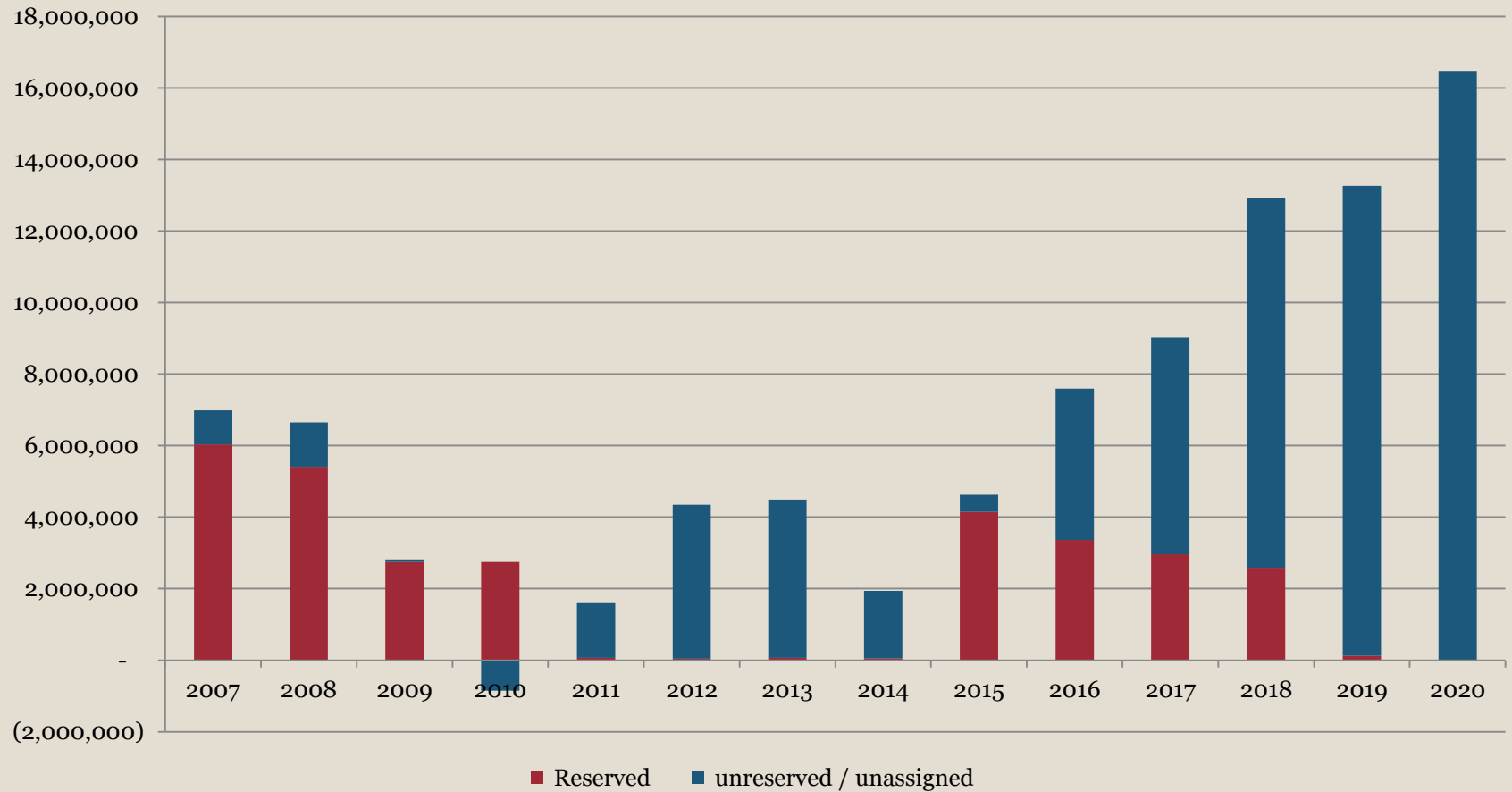
# 2020 CAFR



- Fiscal Year FY 2019-20 ended June 30, 2020
- Overall, City Increased its net position, but governmental activities decreased in net position
- Driven by declining value of Capital Assets and Increase in Long-term liabilities, mainly Pension

|                                   | Governmental<br>Activities |         | Business-type<br>Activities |         | Total   |         |
|-----------------------------------|----------------------------|---------|-----------------------------|---------|---------|---------|
|                                   | 2020                       | 2019    | 2020                        | 2019    | 2020    | 2019    |
|                                   | \$                         | \$      | \$                          | \$      | \$      | \$      |
| Current and other assets          | 80,610                     | 77,941  | 48,407                      | 45,170  | 129,017 | 123,111 |
| Capital assets                    | 113,339                    | 114,316 | 99,375                      | 95,132  | 212,714 | 209,448 |
| Total Assets                      | 193,949                    | 192,257 | 147,782                     | 140,302 | 341,731 | 332,559 |
| Deferred outflows of resources    | 13,507                     | 13,364  | 3,875                       | 4,221   | 17,382  | 17,585  |
| Total Deferred Resources          | 13,507                     | 13,364  | 3,875                       | 4,221   | 17,382  | 17,585  |
| Long-term liabilities outstanding | 67,835                     | 63,437  | 29,758                      | 28,226  | 97,593  | 91,663  |
| Other Liabilities                 | 11,762                     | 12,149  | 4,350                       | 3,304   | 16,113  | 15,453  |
| Total Liabilities                 | 79,597                     | 75,586  | 34,109                      | 31,530  | 113,706 | 107,116 |
| Deferred inflows of resources     | 2,683                      | 1,996   | 608                         | 639     | 3,291   | 2,635   |
| Total Deferred Resources          | 2,683                      | 1,996   | 608                         | 639     | 3,291   | 2,635   |
| Net Position:                     |                            |         |                             |         |         |         |
| Net investment in capital assets  | 109,660                    | 110,033 | 97,119                      | 92,296  | 206,779 | 202,329 |
| Restricted                        | 22,228                     | 19,803  | -                           | -       | 22,228  | 19,803  |
| Unrestricted                      | (6,712)                    | (1,798) | 19,821                      | 20,058  | 13,109  | 18,260  |
| Total Net Position                | 125,175                    | 128,039 | 116,940                     | 112,354 | 242,116 | 240,392 |

# General Fund Balance



# FY 2020-21



**THIS IS DATA THROUGH DEC. 31**

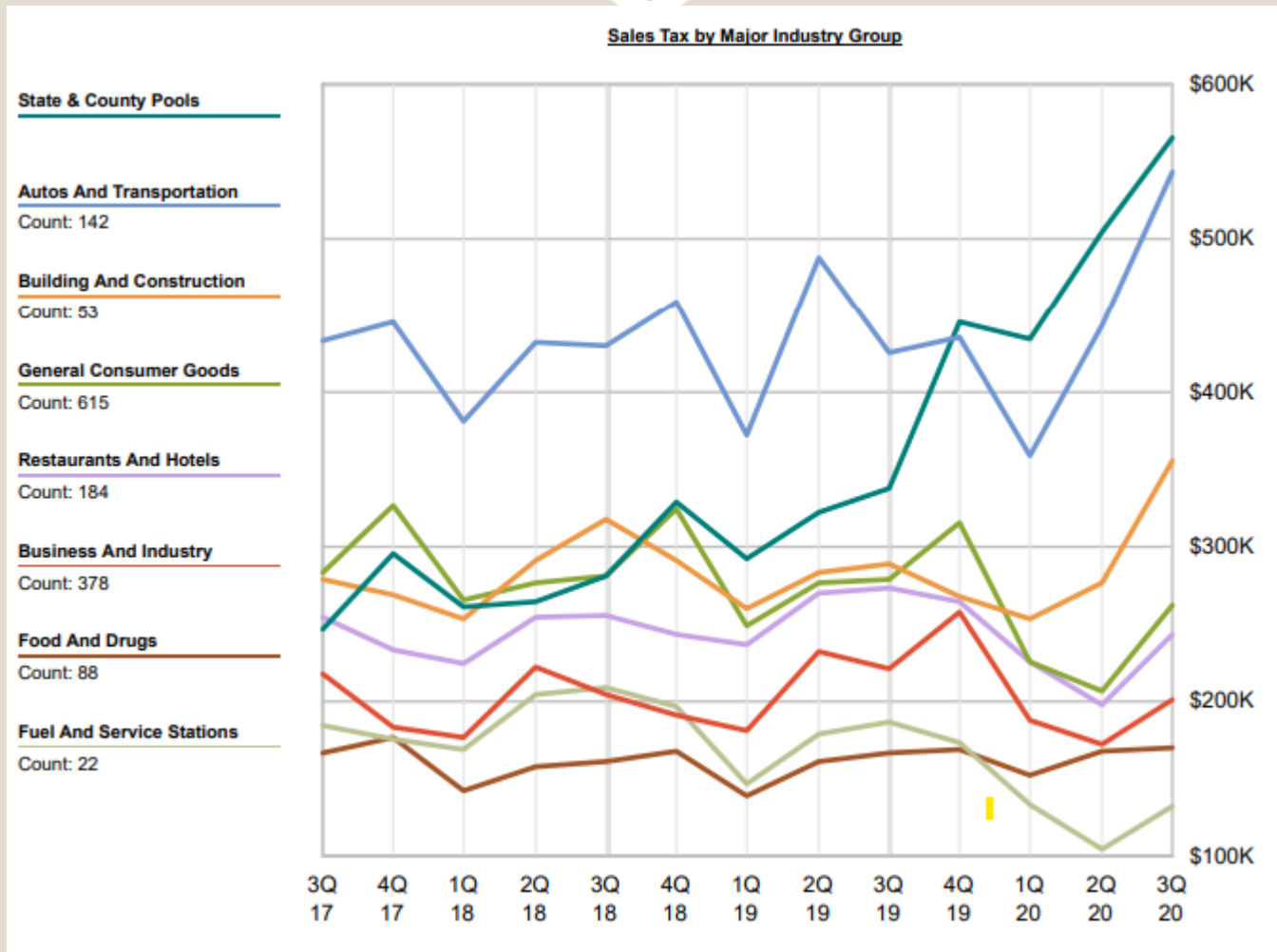
**SALES TAX DATA THROUGH SEPT. 30**

# General Fund Revenues - Overall

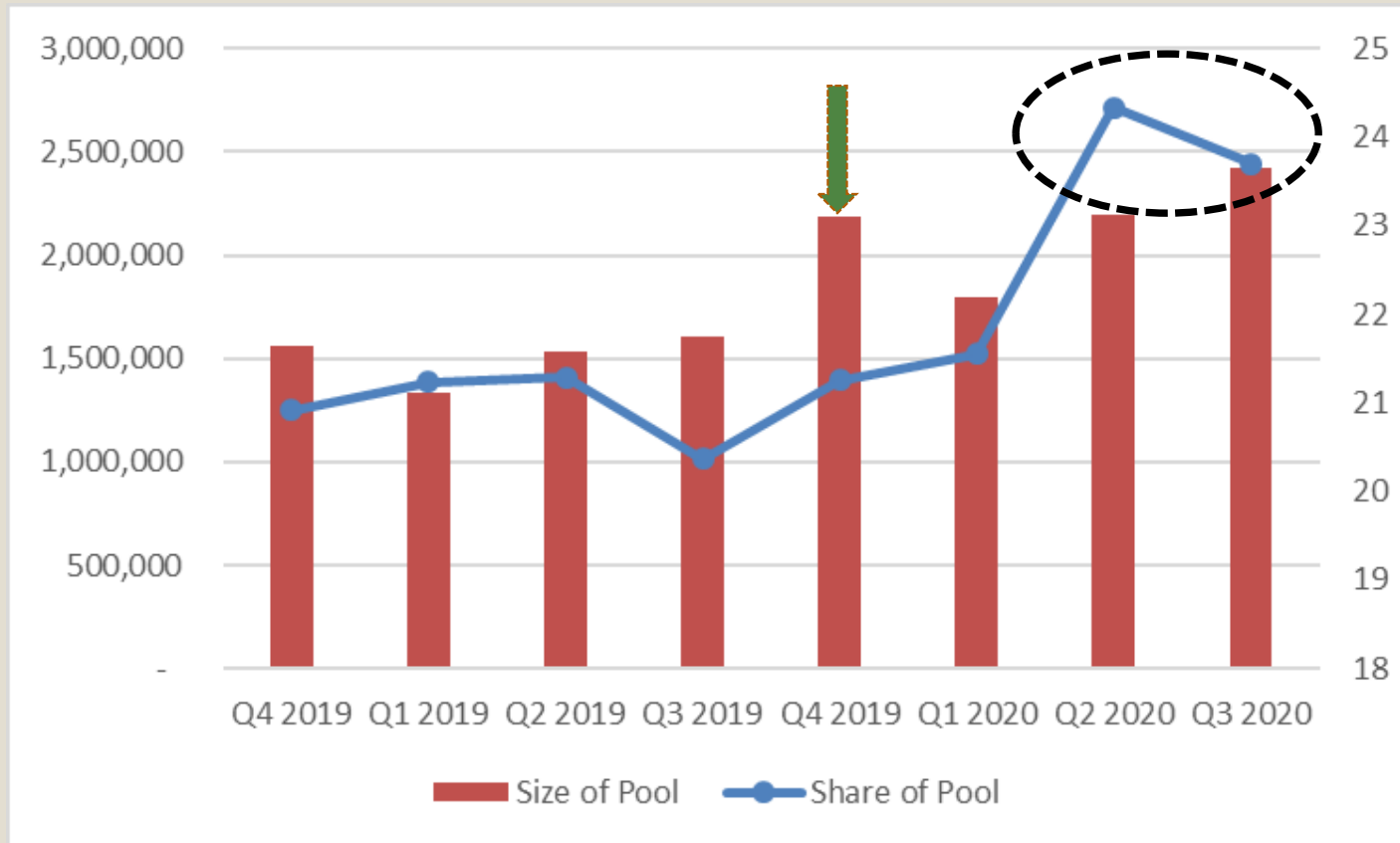


- Property tax still showing little sign of being impacted, next year's CPI only 1.3%
- Utility tax seems to be normal
- Hotel tax is down by 50%, hoping it will come up in the Spring and with new hotel opening
- Department Revenues, Police and PCS are lower
- This will still be less than or at best flat from last year

# Sales Tax

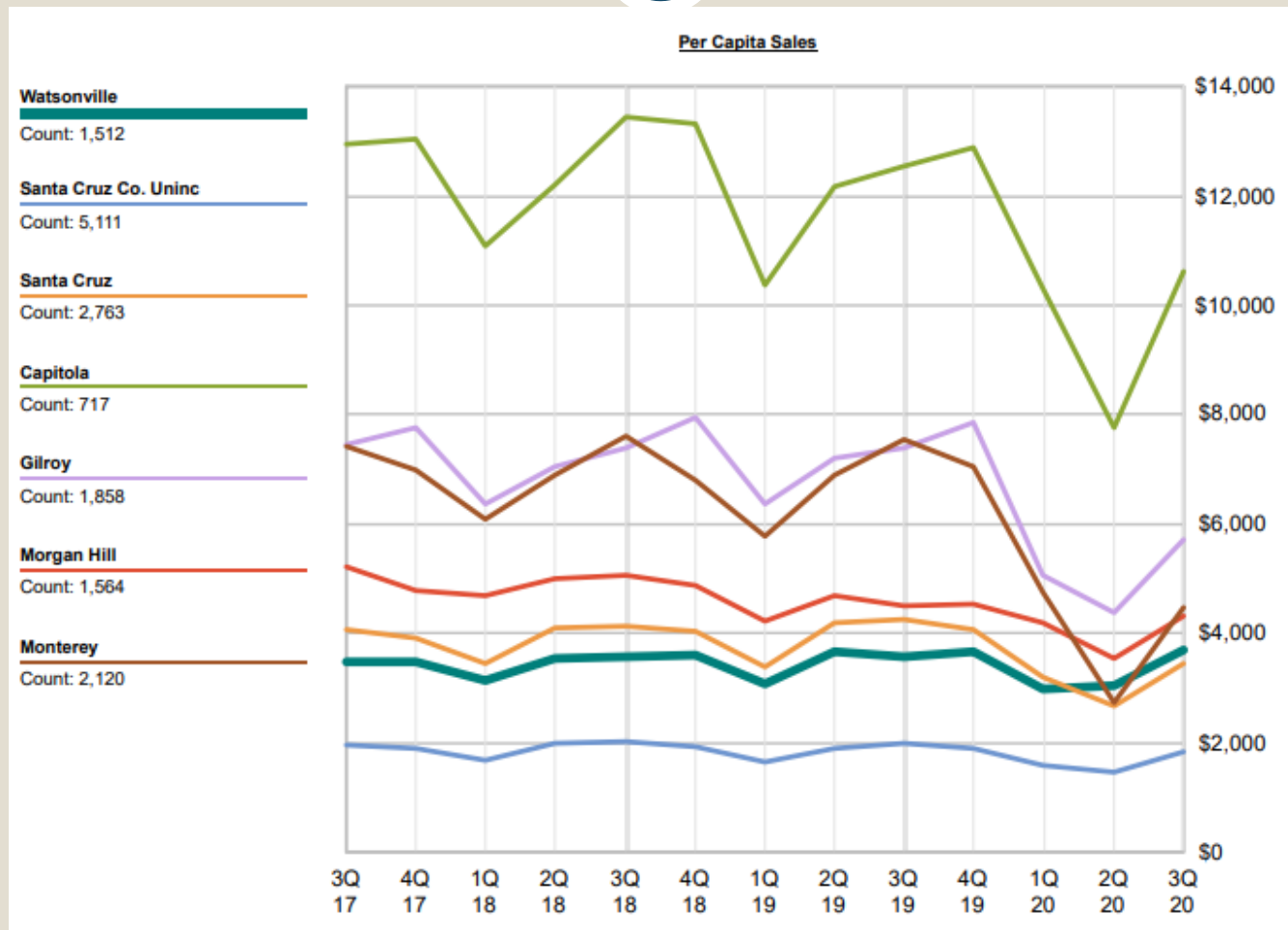


# Sales Tax – County Pools





# Per Capita Sales Surrounding Areas



# General Fund Revenues



| Revenues                | Revised Budget    | 6 mo Actuals      | 6 mo % of Budget | Feb. Projection   | better / (worse) than Budget |
|-------------------------|-------------------|-------------------|------------------|-------------------|------------------------------|
| Property Tax            | 12,171,268        | 6,673,855         | 54.8%            | 13,093,361        | 922,093                      |
| Sales Tax               | 8,173,255         | 6,262,600         | 76.6%            | 11,458,159        | 3,284,905                    |
| Utility                 | 3,852,945         | 1,854,740         | 48.1%            | 4,146,672         | 293,727                      |
| Hotel                   | 586,720           | 380,957           | 64.9%            | 704,684           | 117,964                      |
| Transfer In             | 3,952,808         | 1,853,029         | 46.9%            | 3,952,808         | -                            |
| Other Revenues          | 3,874,331         | 2,188,341         | 56.5%            | 4,364,690         | 490,359                      |
|                         | <b>32,611,327</b> | <b>19,213,523</b> | <b>58.9%</b>     | <b>37,720,374</b> | <b>5,109,047</b>             |
| CDD                     | 1,071,985         | 685,650           | 64.0%            | 1,344,534         | 272,549                      |
| Police                  | 1,437,500         | 417,035           | 29.0%            | 875,675           | (561,825)                    |
| Fire                    | 741,069           | 186,775           | 25.2%            | 813,587           | 72,518                       |
| PCS                     | 536,818           | 204,668           | 38.1%            | 417,083           | (119,735)                    |
| PW                      | 274,056           | 70,534            | 25.7%            | 112,562           | (161,494)                    |
| Other                   | 2,711,972         | 823,632           | 30.4%            | 2,711,857         | (115)                        |
| CARES Funding           |                   | 530,053           |                  | 530,053           | 530,053                      |
| <b>Total GF Revenue</b> | <b>39,384,727</b> | <b>22,131,869</b> | <b>56.2%</b>     | <b>44,525,724</b> | <b>5,140,997</b>             |

# Revenue - Uncertainty



- Much of this is one time “filling in the dip”
- Do not yet know how much is base building, still a lot of uncertainty in the economy
  - Vaccination rate,
  - Schools opening
  - What will new economy look like
  - What will true unemployment rate be
  - How much have we been kept afloat by stimulus
  - Will spending patterns change when people return to work
- Likely to be many quarters before we settle into a new normal. Proceed with caution

# General Fund Expenditures



| Expenditures              | Revised Budget    | 6 mo Actuals      | 6 mo % of Budget | Feb. Projection   | better / (worse) than Budget |
|---------------------------|-------------------|-------------------|------------------|-------------------|------------------------------|
| Police                    | 18,951,725        | 11,387,207        | 60.1%            | 19,017,089        | (65,364)                     |
| Fire                      | 7,642,886         | 4,791,827         | 62.7%            | 7,858,886         | (216,000)                    |
| PCS                       | 3,487,976         | 1,983,280         | 56.9%            | 3,508,976         | (21,000)                     |
| General Gov't             | 3,280,014         | 1,691,426         | 51.6%            | 3,421,184         | (141,170)                    |
| Non Dept                  | 2,460,237         | 1,121,404         | 45.6%            | 2,598,414         | (138,177)                    |
| CDD                       | 2,215,545         | 1,053,611         | 47.6%            | 2,340,934         | (125,389)                    |
| Finance                   | 1,590,665         | 896,084           | 56.3%            | 1,590,665         | -                            |
| PW                        | 1,410,113         | 755,799           | 53.6%            | 1,386,979         | 23,134                       |
| Library                   | 541,484           | 270,742           | 50.0%            | 541,484           | -                            |
| IT                        | -                 | -                 | -                | -                 | -                            |
| <b>Total Depts</b>        | <b>41,580,645</b> | <b>23,951,380</b> | 57.6%            | <b>42,264,611</b> | (683,966)                    |
| <b>Capital</b>            | <b>787,929</b>    | <b>155,920</b>    | 19.8%            | <b>553,015</b>    | 234,914                      |
| <b>COVID</b>              |                   | 88,571            |                  | 98,571            | (98,571)                     |
| <b>Fires</b>              |                   |                   |                  | 56,784            | (56,784)                     |
| <b>Total Expenditures</b> | <b>42,368,574</b> | <b>24,195,871</b> | 57.1%            | <b>42,972,981</b> | <b>(604,407)</b>             |

# Fire / Police Overtime



- Fire Department

- Had Strike teams out helping with the fires around the state from July through October
- Turnover and vacant positions
- Now helping with vaccination efforts
- \$216,000 – One-time. Partially revenue backed

- Police

- Also dealing with vacancies and turnover
- Recently Approved Labor agreement with Sergeants
- \$89,041, primarily one-time



# Community Development Department



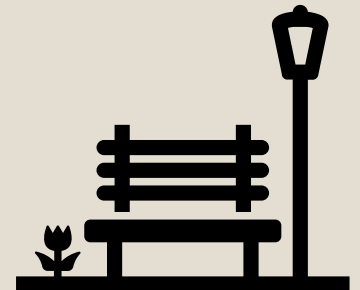
- They are seeing no decline in revenue or work.
- We had reduced the department by 3 positions and a large amount of contract money.
- We are requesting a further build back of this department basically to their previous levels in both positions and contracts
- \$150,310 – Revenue Backed, mix of ongoing and one-time



# Parks and Community Services



- Department still unable to offer normal recreation or Special event services
- However, still maintaining parks and managing many capital projects
- Requesting salary dollars to pay for recently approved labor contract
- One-time money to do parks maintenance while they have lower utilization
- One-time money for impact fee studies to look for new sustainable funding sources.
- \$131,000, primarily one-time



# Non – Departmental



- **COVID Spending**

- We continue to spend on PPE, cleaning, and reconfiguring public spaces.
- We will be applying to FEMA to request reimbursement but the process is long and unclear

- **CZU Fires**

- Overall City Spent \$482,678
- The vast majority will be reimbursed. We are requesting the balance, \$56,784 which will not be reimbursed.



# Other – Funds



- Airport – Airport put themselves on a very lean plan this year, like general fund are not seeing declines in revenues but are seeing the operational squeeze, requesting one additional Operations Specialist position. Still will end the year positive
- Utility Funds
  - All – requesting to add a Safety Coordinator position, a position that had been eliminated but they feel they need
  - Sewer and Water are realigning their budget with their updated capital plan, reducing their appropriations
  - MSC, shop asking for a number of increases that reflect true costs that will be shared across the City

# Appropriations Summary



| Department           | Fund      | One-time  | Ongoing | Revenue   | Total Impact |
|----------------------|-----------|-----------|---------|-----------|--------------|
| Fire                 | General   | 216,000   | -       | (50,099)  | 165,901      |
| Police               | General   | 50,000    | 39,041  | -         | 89,041       |
| Non-Dept             | General   | 156,784   | -       | -         | 156,784      |
| CDD                  | General   | 100,000   | 50,310  | (150,310) | -            |
| PCS                  | General   | 110,000   | 21,000  |           | 131,000      |
| Airport              | Airport   | -         | 19,074  | (19,074)  | -            |
| Public Works - MSC   | MSC       |           | 531,800 | (531,800) | -            |
| Public Works - Admin | Utilities |           | 69,836  |           | 69,836       |
| Public Works         | Water     | (407,000) | 400,000 |           | (7,000)      |
| Public Works         | Sewer     | (942,180) |         |           | (942,180)    |

# Measure G



|                                     |                                 | FY 19-20           |                  |                                      | FY 20-21         |                  |                  |                                      |
|-------------------------------------|---------------------------------|--------------------|------------------|--------------------------------------|------------------|------------------|------------------|--------------------------------------|
|                                     |                                 | BUDGET             | ACTUALS          | Variance<br>Positive /<br>(Negative) | BUDGET           | ACTUALS          | Projected        | Variance<br>Positive /<br>(Negative) |
| Police                              | Tax Revenue                     | 2,371,200          | 2,411,999        | 40,799                               | 1,566,000        | 1,234,635        | 2,214,215        | 648,215                              |
|                                     | Interest                        | 5,000              | -                | (5,000)                              | 20,000           |                  | 20,000           | -                                    |
|                                     | Other Revenue                   | 600                | 8,970            | 8,370                                | 100              | 26,231           | 26,231           | 26,131                               |
| Fire                                | Tax Revenue                     | 1,580,800          | 1,607,999        | 27,199                               | 1,102,000        | 868,817          | 1,558,152        | 456,152                              |
|                                     | Interest                        | 5,000              | 46,723           | 41,723                               | 15,000           |                  | 15,000           | -                                    |
| PCS                                 | Tax Revenue                     |                    |                  |                                      | 232,000          | 182,909          | 328,032          | 96,032                               |
|                                     | Interest                        |                    |                  |                                      | -                |                  | -                |                                      |
|                                     | <b>Total Revenues</b>           | <b>3,962,600</b>   | <b>4,075,691</b> | <b>113,091</b>                       | <b>2,935,100</b> | <b>2,312,591</b> | <b>4,161,630</b> | <b>1,226,530</b>                     |
| Police                              | Operations                      | 2,369,144          | 2,077,430        | 291,714                              | 1,914,596        | 817,753          | 1,656,019        | 258,577                              |
|                                     | Equipment / Facilities (police) | 1,390,770          | 1,113,386        | 277,384                              | 254,235          | 2,820            | 204,235          | 50,000                               |
| Fire                                | Operations                      | 1,429,370          | 1,083,273        | 346,097                              | 1,417,446        | 690,461          | 1,415,922        | 1,524                                |
|                                     | Equipment / Facilities          | 419,000            | 394,036          | 24,964                               | 75,000           | -                | 75,000           | -                                    |
| PCS                                 | Operations                      |                    |                  |                                      | 208,800          | 10,558           | 208,800          | -                                    |
|                                     | Equipment / Facilities          |                    |                  |                                      |                  |                  |                  |                                      |
|                                     | <b>Totals Expenses</b>          | <b>5,608,284</b>   | <b>4,668,125</b> | <b>940,159</b>                       | <b>3,870,077</b> | <b>1,521,591</b> | <b>3,351,176</b> | <b>518,901</b>                       |
| <b>Change in Fund Balance</b>       |                                 | <b>(1,645,684)</b> | <b>(592,434)</b> | <b>1,053,250</b>                     | <b>(934,977)</b> | <b>791,000</b>   | <b>810,453</b>   | <b>1,745,430</b>                     |
| <b>Reserve Police as of July 1</b>  |                                 | 2,345,887          | <b>2,345,887</b> |                                      | 1,576,040        |                  | 1,576,040        |                                      |
| <b>Reserve Fire as of July 1</b>    |                                 | 1,058,876          | <b>1,058,876</b> |                                      | 1,236,290        |                  | 1,236,290        |                                      |
| <b>Reserve PCS as of July 1</b>     |                                 |                    |                  |                                      | -                |                  |                  |                                      |
| <b>Reserve Police as of June 30</b> |                                 | 962,773            | 1,576,040        | 613,267                              | 993,309          |                  | 1,976,232        | 982,923                              |
| <b>Reserve Fire as of June 30</b>   |                                 | 796,306            | 1,236,290        | 439,984                              | 860,844          |                  | 1,318,519        | 457,676                              |
| <b>Reserve PCS as of June 30</b>    |                                 |                    |                  |                                      | 23,200           |                  | 119,232          | 96,032                               |

# Summary



- Still many unknowns, proceed with caution
  - Local economy floating on sales tax bubble and stimulus
  - Likely be ups and downs before things settle down
  - Unclear what the new normal will be
  
- Next Steps
  - March – Budget Outlook
  - May – If needed a 9 month update
  - June – Budget Hearings

# Today's Actions



- Accept by motion, the Comprehensive Financial Report for FY 2019-20, and
- Accept by motion, the mid-year financial report for the 2020-21 Fiscal Year:
- Accept by motion, the Annual Measure G Audit Report for FY 2019-20, and
- Approve a resolution appropriating \$414,665 into various funds as described in Attachment 1.

Any  
1.1  
Questions



# Agenda Report

**MEETING DATE:** Tuesday, February 9, 2021

**TO:** City Council

**FROM:** Parks & Community Services

**SUBJECT:** LOCATION OF THE GEORGE WASHINGTON BUST

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## STATEMENT OF ISSUES:

The City Council must determine the future location of the George Washington bust in the City Plaza, following significant community input advocating the bust be removed and significant community input advocating the bust remain.

## RECOMMENDED ACTION:

In accordance with feedback received from community members, it is recommended that the Council adopt a resolution directing staff to:

1. Keep the George Washington bust in its current location in the City Plaza
2. Add a bilingual plaque on the podium of the bust that describes a broad historical perspective about George Washington

## DISCUSSION:

### Background

On May 25, 1999, the Council adopted Resolution No. 151-99 (CM) (with a 6-0 vote) accepting \$100,000 from the Estate of Lloyd F. Alaga, to pay a sculptor to create a bust of George Washington as an original work of art, a pedestal for the bust and placing the bust in the City Plaza and use any excess funds to refurbish the historic fountain, also in the City Plaza. This donation represented five percent of the net residue of the Alaga Estate. During the same meeting, the Council also accepted approximately \$200,000 (10% of the net residue of the Estate) from the Alaga Estate to pay to acquire reference works of general interest. Mr. Lloyd F. Alaga passed away on June 7, 1997.

The Last Will and Testament of Lloyd F. Alaga reads, in part:

The remainder of my estate I bequeath and devise as follows:

Ten percent of its value to the Watsonville Public Library, which I have used much of my life, for the acquisition of solid reference works of general interest and use, to be inscribed as the "Gift of Lloyd F. Alaga.

Five percent of its value to the City of Watsonville, which in this testator's opinion suffers from a dearth of public statuary, for the purpose of acquiring a bust of George

Washington made by a sculptor of reputation in the style called representational or realistic, to be placed in the City Plaza on a plinth or block, if possible made of the characteristic granite from the Aromas Granite Rock Quarry, with a plaque or carved inscription reading: "George Washington, 1732-1799, Father of His Country" and the old saying "First In War, First In Peace, First In The Hearts Of His Countrymen", and a discreet inscription at the side or back that the monument is the "Gift of Lloyd F. Alaga".

In his will, Lloyd F. Alaga also stated, "I am unmarried, and have never married, and have no children or close living relatives. I am a resident of Watsonville, Santa Cruz County, California." Following the death of his brother in 1996, Mr. Alaga appointed local attorney P.W. (Bill) Bachan as the executor of his will.

Upon receiving the funds from the Alaga Estate, the City released a Request for Qualifications for the design and creation of a bust of George Washington. A selection committee chose Michelle Armitage of Armitage Designs in Santa Cruz as the finalist. The City entered into an agreement with Ms. Armitage in the amount of \$70,000 to create, as stated in her proposal, "a slightly larger than life size (32-36 inches high) bust of George Washington, rendered in bronze, and mounted on a rectangular pedestal (approx. 54 inches high), of concrete and granite; extracted from the 'Granite Rock Quarry' at Aromas." The bust was "cast using a technique called 'Lost Wax,' a process that dates back for centuries. The original sculpture is molded in clay. A mold is taken from the clay sculpture to cast a wax edition. Through the 'lost wax' process, the 'wax' (becomes) the finished bronze sculpture." All Ms. Armitage's work was done at her studio in the Statewide Industrial Park on Lee Road.

The project was completed in early 2001 and an unveiling ceremony was held in the Plaza on February 19, 2001, featuring the artist and members of the Alaga family.

The remainder of the funds that were gifted to the Parks Department we used to clean, reseal, paint and rewire the fountain on the East Beach side of the Plaza.

The Bust was installed after the City Plaza's inclusion into the National Register of Historic Places (1982) and has not been added as a feature of the Plaza's designation.

### **Recent Discussion**

In July 2020, City staff were made aware that a petition had been created on the website change.org by a group known as Revolunas, calling for the removal of the "George Washington Statue from Watsonville Plaza."

A second petition on change.org was initiated by a community member, calling to "Save the George Washington Statue in our downtown park."

A third petition on go petition.com was initiated by a community member, titled "Save Watsonville George Washington Statue."

Revolunas hosted a sit in on July 17, 2020 in front of the George Washington bust that was attended by community members both in support of and against its removal. Another group



organized a sit in to save the bust on July 31, 2020. The Council, City Manager, City Clerk and Parks and Community Services Director have received many emails regarding this matter.

Staff has been in contact with a known descendent of Lloyd F. Alaga, who has requested the bust be moved to a safe location, should it be removed from the Plaza. The descendent is also attempting to contact other family members.

During its meeting on August 3, 2020, the Parks and Recreation Commission held a study session concerning the George Washington bust that was attended by over 190 people. During this study session, staff presented a report providing background information on the bust. Commissioners and members of the public then had the opportunity to ask questions and voice their opinions.

Following this meeting, staff solicited input from the groups that authored the two larger petitions regarding next steps. Staff then developed a survey to solicit broader community input to address several concerns expressed by community members, including that:

- Many of the opinions expressed through petitions and other correspondence were from non-residents
- Duplicate responses from individuals may be counted in the petitions and other correspondence
- There was not enough time for many community members to learn about the discussion and weigh in on it

The survey allowed staff to gather community input with greater ability to:

- Account for City residency
- Control for duplicate responses
- Gather broader community input from a widely advertised, neutral source. The survey link was advertised in the City's monthly newsletter, on social media, on the City's website, was emailed to the Parks and Community Services database of over 2,000 emails and was mentioned in an article and op-ed regarding this topic in the Register Pajaronian.

The survey tool was created using language from the petitions and doubled as an educational tool on the topic.

The survey was open from September 1-30, 2020. The respondents were asked:

- about their opinion on the placement of the bust
- how strongly they felt in their opinion of the bust remaining or being removed from the City Plaza
- about reasons for their feelings
- about actions they would support
- for their name and address (for verification of City residency)

## **Survey Results**

A total of 1,231 survey responses were received. Using street addresses submitted by survey respondents, City Geographical Information System (GIS) staff determined that

498 (40%) responses were from City residents.

Survey respondents were asked their opinion on the placement of the bust and if they desired to see the bust remain in place, be removed or if they were indifferent. Regarding opinions on the placement of the bust, the survey yielded the following results:

|                    | <b>Residents</b> | <b>%</b>    | <b>All</b>   | <b>%</b>    |
|--------------------|------------------|-------------|--------------|-------------|
| <b>Remain</b>      | 294              | 59%         | 733          | 59%         |
| <b>Remove</b>      | 180              | 36%         | 427          | 35%         |
| <b>Indifferent</b> | 24               | 5%          | 71           | 6%          |
| <b>TOTALS</b>      | <b>498</b>       | <b>100%</b> | <b>1,231</b> | <b>100%</b> |

As demonstrated by the above figures, controlling for residency does not significantly change the percentage of respondents that wish the bust to remain in place, be removed or are indifferent.

Survey respondents were then asked “On a scale of 1-5, how strongly do you feel that the bust should be removed from/remain in the City Plaza (1 being the least strong and 5 being the strongest)?” The average response from respondents who said they would like the bust to remain was 4.74. Likewise, the average response from respondents who said they would like the bust removed was also 4.74. Respondents felt equally strong in their opinions on the placement of the bust.

Respondents were then asked about reasons they felt the bust should remain in place or be removed and support for possible actions regarding the placement of the bust. Reasons listed in the survey were generated from language included in the petitions.

A summary of the survey results is attached to this report.

### **Community Generated Options**

A virtual Town Hall meeting was held on October 20, 2020 and was attended by 94 individuals. The purpose of the meeting was “To explore constructive ideas/options for the George Washington Bust to present to the Parks and Recreation Commission that align with the spirit of the feedback received by Watsonville residents.” The intent of the meeting was to focus on the future, work together towards solutions and learn from each other.

During this meeting, survey results were shared and a discussion was held regarding possible actions and next steps, with the goal of generating options to be presented to the Parks and Recreation Commission for action.

Based on the results of the survey, the following options were presented to start the discussion:

1. Remain - Take no action. Keep the bust where it is and do nothing else.
2. Remain with Plaque - Keep the bust where it is and add a plaque that tells a broader history of GW

3. Relocate – Relocate the bust for display elsewhere (potentially City Hall, Library, PV Arts). Could also add a plaque.
4. Remove - Remove the bust and do not display anywhere (could be returned to the Alaga Family or kept by the City for safekeeping).

Individuals present during the meeting indicated support for each of these options, with more attendees supportive of the bust remaining with a plaque or relocating it. Some attendees suggested that more time and community outreach should be conducted prior to making a decision.

It has been suggested that should the bust be relocated, it should be to the Pajaro Valley Historical Association's Historic Center. Staff has discussed this with the Association's President and this option has been deemed not feasible, as it would compromise the site's designation on the National Register of Historic Places.

It has also been suggested that a second statue or bust representing a historical figure of significance be added to the City Plaza. This would require funds to support such action. The cost to procure and install the existing George Washington bust in today's dollars is estimated at over \$100,000.

During the Parks and Recreation Commission meeting on November 2, 2020, staff presented the survey results and a summary of the Town Hall meeting. In accordance with feedback received from Watsonville residents through a community survey and further input collected during a Town Hall meeting, it was recommended that the Parks and Recreation Commission make a recommendation to the Council:

1. That the George Washington Bust remain in the City Plaza, and
2. That a bilingual plaque that outlines a broad historical perspective about George Washington be added to the bust.

Parks and Recreation Commission recommended (by a 4-2 vote) that the Council's policy decision be to:

1. Move the George Washington bust to an alternative location, and
2. Add a bilingual plaque that outlines a broad historical perspective about George Washington.

### **STRATEGIC PLAN:**

05-Community Engagement & Well-Being – Discussion regarding the location of the George Washington bust has involved a significant amount of community engagement and input. In addition to the volume of letters, emails and phone calls received, hundreds of individuals have also signed petitions, completed the community survey and attended Parks and Recreation Commission and Town Hall meetings. Community members have also commented on how the bust positively and negatively affects their sense and feelings of inclusion, value and equity in the community.

**FINANCIAL IMPACT:**

The financial impact of adding a bilingual plaque that outlines a broad historical perspective about George Washington is estimated at approximately \$2,000 for consulting fees and fabrication. If the Council decides to relocate or remove the bust from the Plaza, there will also be costs associated with the removal and reinstallation that are unknown at this time.

**ALTERNATIVE ACTION:**

The Council could direct staff to take alternative action. Based on survey results and community input, options include:

1. Take no action and keep the bust where it is.
2. Move the bust to be displayed in another location. Could also add a plaque.
3. Remove the bust and do not display anywhere (could be returned to the Alaga Family or kept by the City for safekeeping).
4. Take no action at this time and determine what other information needs to be gathered before deciding on next steps.

The financial impact associated with alternative actions may be significant. Should additional funds be required to implement the Council's direction, staff will return to Council to request an appropriation, once costs are determined.

**ATTACHMENTS AND/OR REFERENCES (If any):**

- 1) Summary of Community Survey Results
- 2) Correspondence to Parks & Recreation Commission

[Click or tap here to enter text.](#)

# Summary of Results of Community Survey on the George Washington Bust

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NOVEMBER 2, 2020

CITY OF WATSONVILLE PARKS AND COMMUNITY SERVICES

# Community Survey

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- **Survey Purpose:** To gather broad community input regarding the location of the George Washington Bust and to address community concerns that:
  - Opinions expressed through petitions and other correspondence are from Non-Residents
  - Concerns that duplicate responses from individuals may be counted
  - Concerns that there was not enough time for community to learn about the discussion and weigh in on it
- **Survey Goals:**
  - To account for city residency
  - To better control for duplicate responses
  - To gather broader community input
    - Cast a wide net, delivered from a neutral source
    - Serve as education tool on the topic

# Survey Details

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- **Collection Dates:** September 1 – 30, 2020
- **Survey Tool:** Survey Monkey
- **Languages:** English and Spanish
- **Number of Responses:** 1,231 (498 City residents)

# Survey Questions

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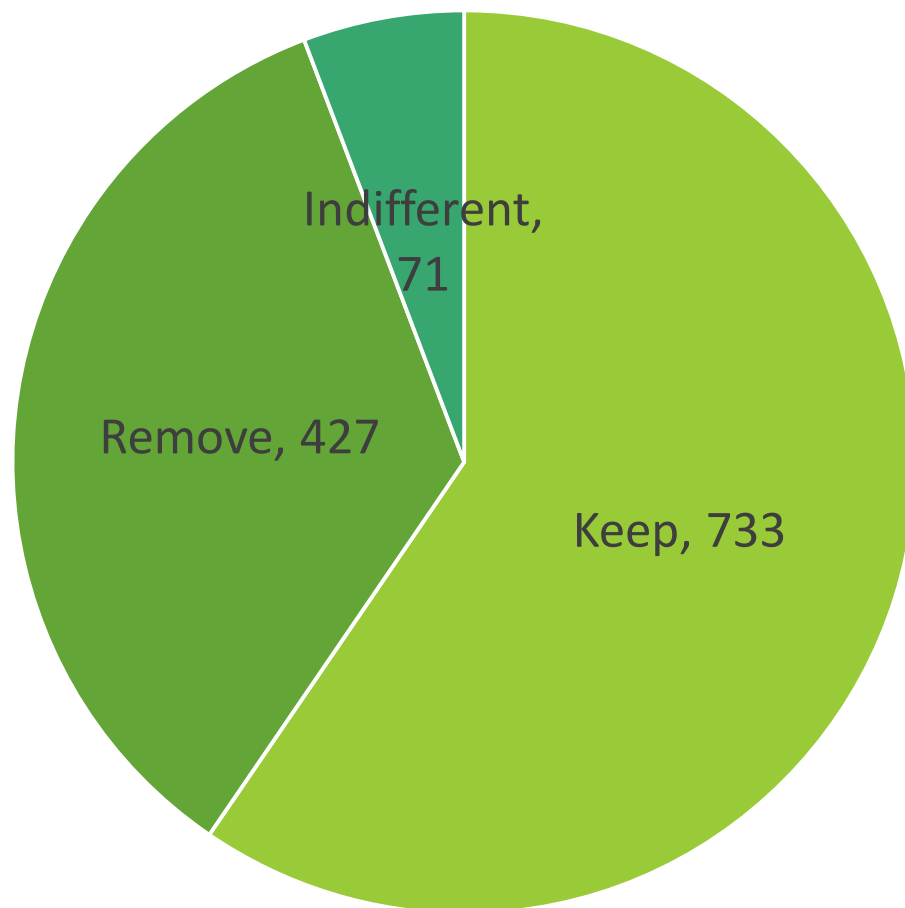
- Respondents asked about their option on the placement of the bust
- Respondents asked how strongly they felt in their opinion of the bust remaining or being removed from the City Plaza
- Respondents asked about reasons for their feelings
- Respondents asked about actions they would support
- Respondents asked for name and address (email and phone changed to optional)



# Summary and City Residency

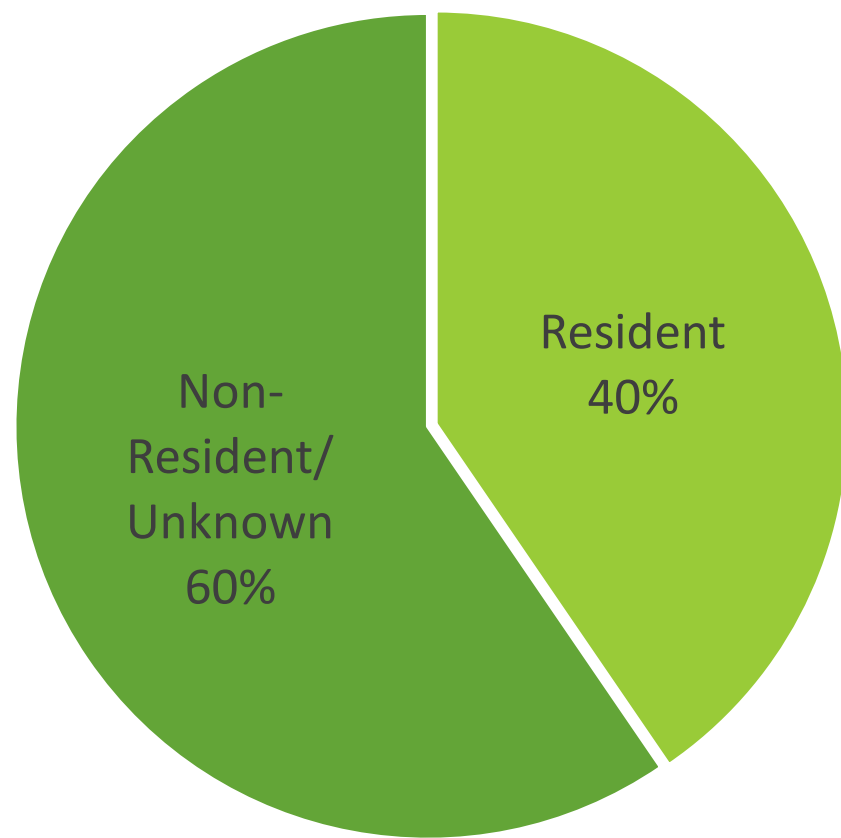
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# Survey Summary (Question 1)



|  | Total | %    |
|--|-------|------|
| I think the bust should <b>remain</b> in the City Plaza.       | 733   | 60%  |
| I think the bust should be <b>removed</b> from the City Plaza. | 427   | 35%  |
| I am indifferent.  | 71    | 6%   |
| TOTALS   | 1231  | 100% |

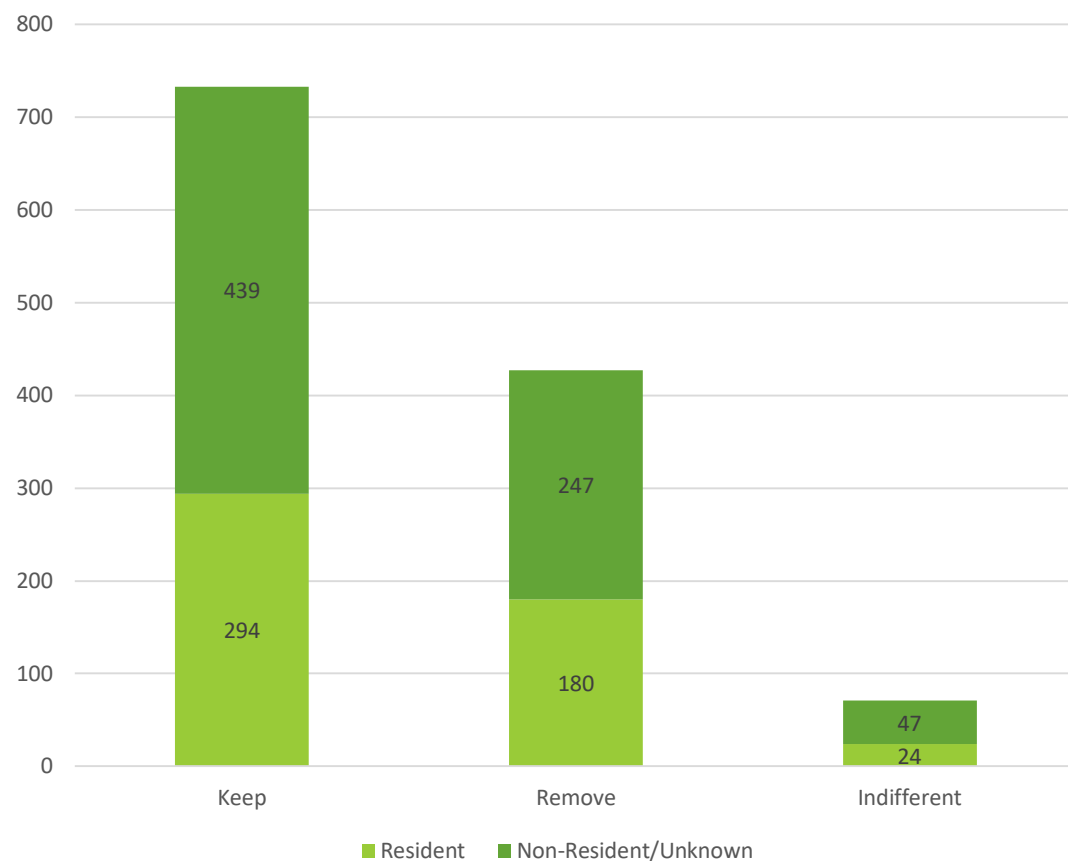
# Residency of Respondents



|               | #     | %    |
|---------------|-------|------|
| Residents     | 498   | 40%  |
| Non-Residents | 733   | 60%  |
| TOTALS        | 1,231 | 100% |

- **Residents** - Provided a verified address, within Watsonville City limits
- **Non-Resident/Unknown**
  - Provided an address outside of Watsonville
  - Provided an unverified address
  - Did not enter an address

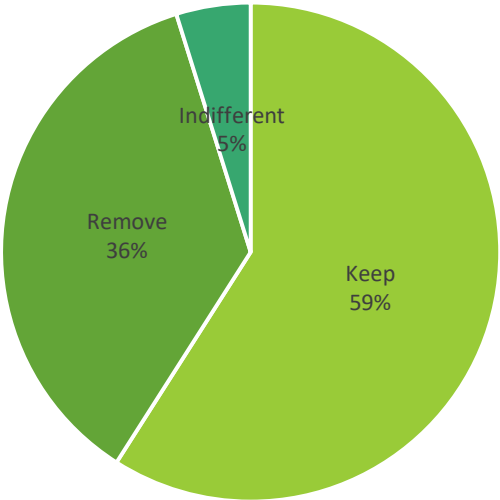
# Survey Summary with Residency



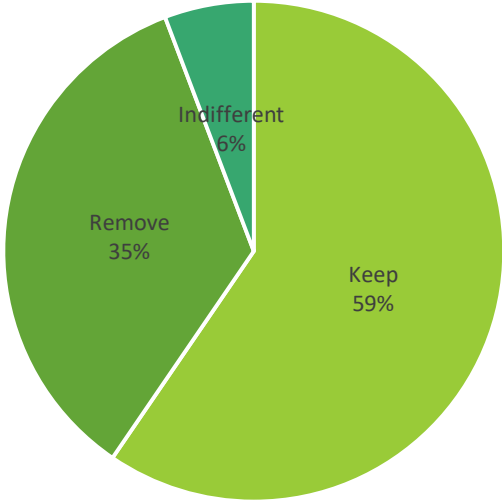
|                      | KEEP |     | REMOVE |     | INDIFFERENT |    | TOTAL |
|----------------------|------|-----|--------|-----|-------------|----|-------|
| Resident             | 294  | 59% | 180    | 36% | 24          | 5% | 498   |
| Non-Resident/Unknown | 439  | 60% | 247    | 34% | 47          | 6% | 732   |
| Total                | 733  | 60% | 427    | 35% | 71          | 6% | 1231  |

# Survey Summary (Residents vs. All Respondents)

City Residents Only



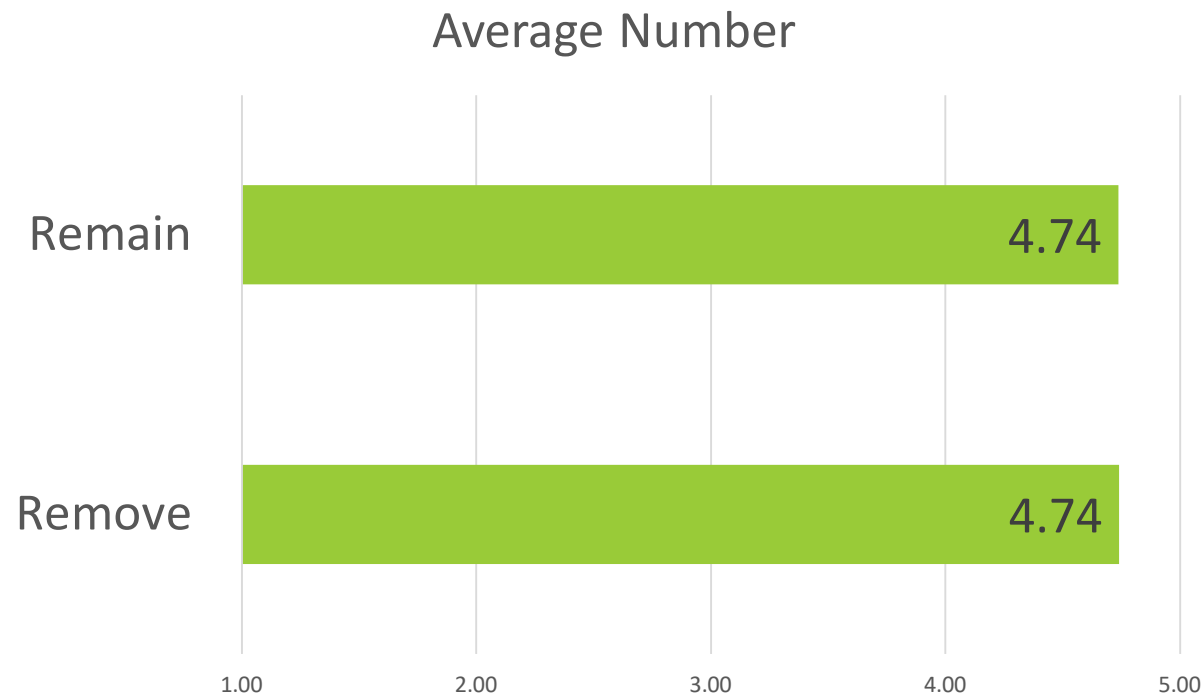
All Respondents



|             | Residents | %    | All  | %    |
|-------------|-----------|------|------|------|
| Keep        | 294       | 59%  | 733  | 59%  |
| Remove      | 180       | 36%  | 427  | 35%  |
| Indifferent | 24        | 5%   | 71   | 6%   |
| TOTALS      | 498       | 100% | 1231 | 100% |

# Follow Up Questions – How strongly do you feel?

On a scale of 1-5, how strongly do you feel that the bust should be removed from/remain in the City Plaza (1 being the least strong and 5 being the strongest)?

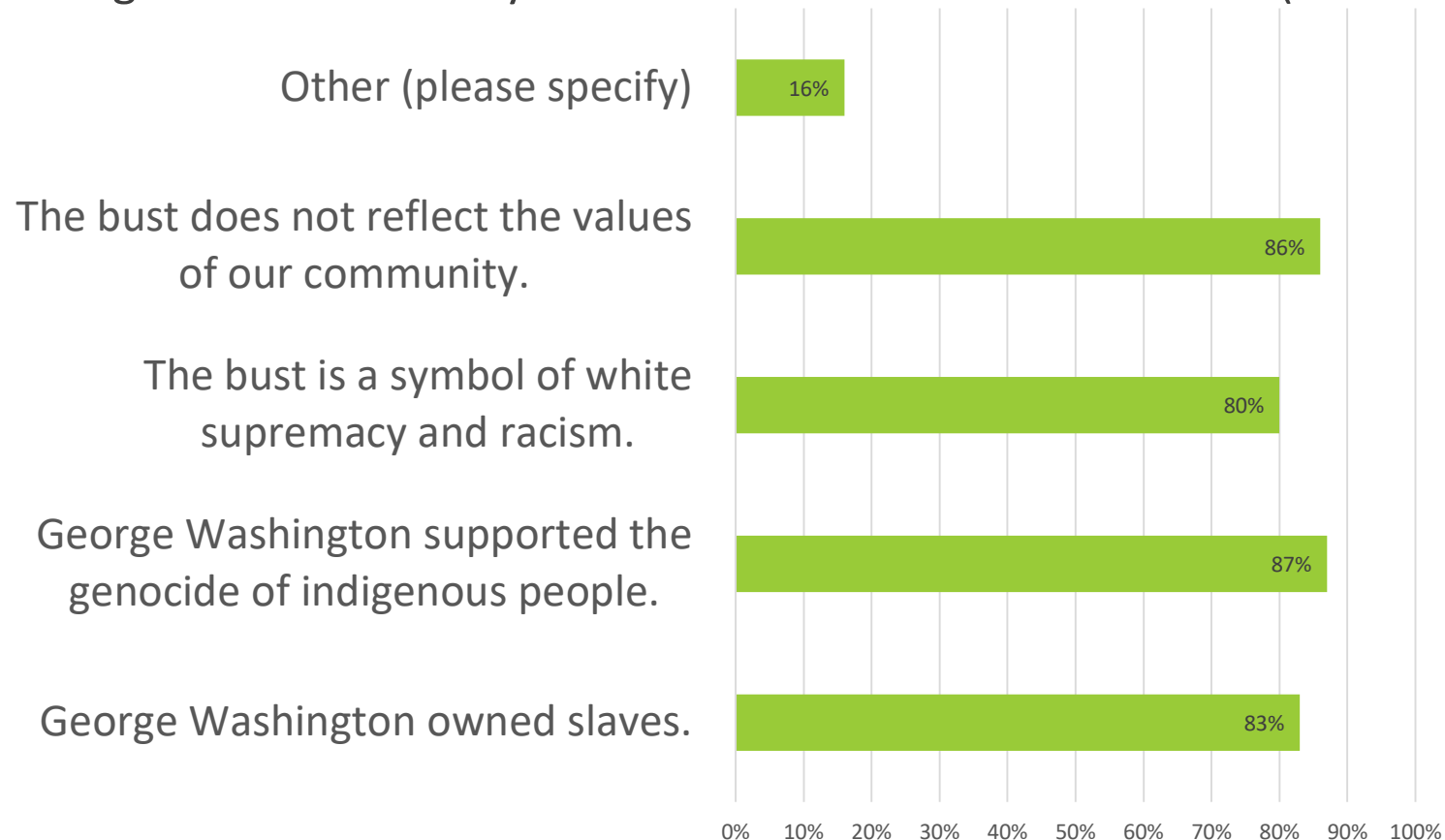


# Reasons for Removal or that it Remain

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# Reasons for Removal

Which of the following are reasons that you feel the bust should be removed (check all that apply)?





# Reasons for Removal

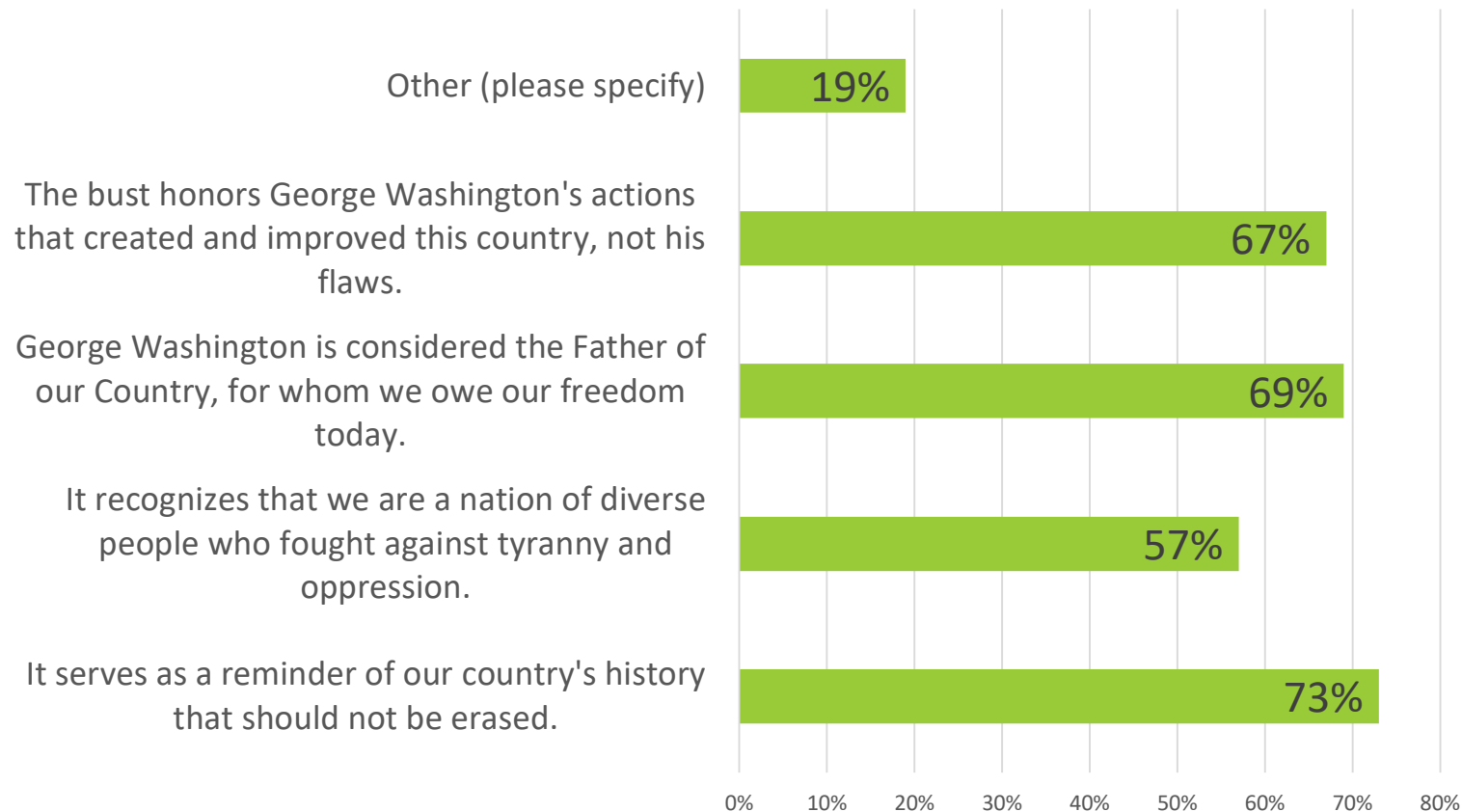
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## **Other:**

- Bust ignores other parts of history/tells an incomplete story
- George Washington is irrelevant to local history
- Need a symbol that better represents our community
- George Washington represents oppression, racism, slavery
- It is ugly

# Reasons to Remain

Which of the following are reasons that you feel the bust should remain (check all that apply)?



# Reasons to Remain

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## **Other:**

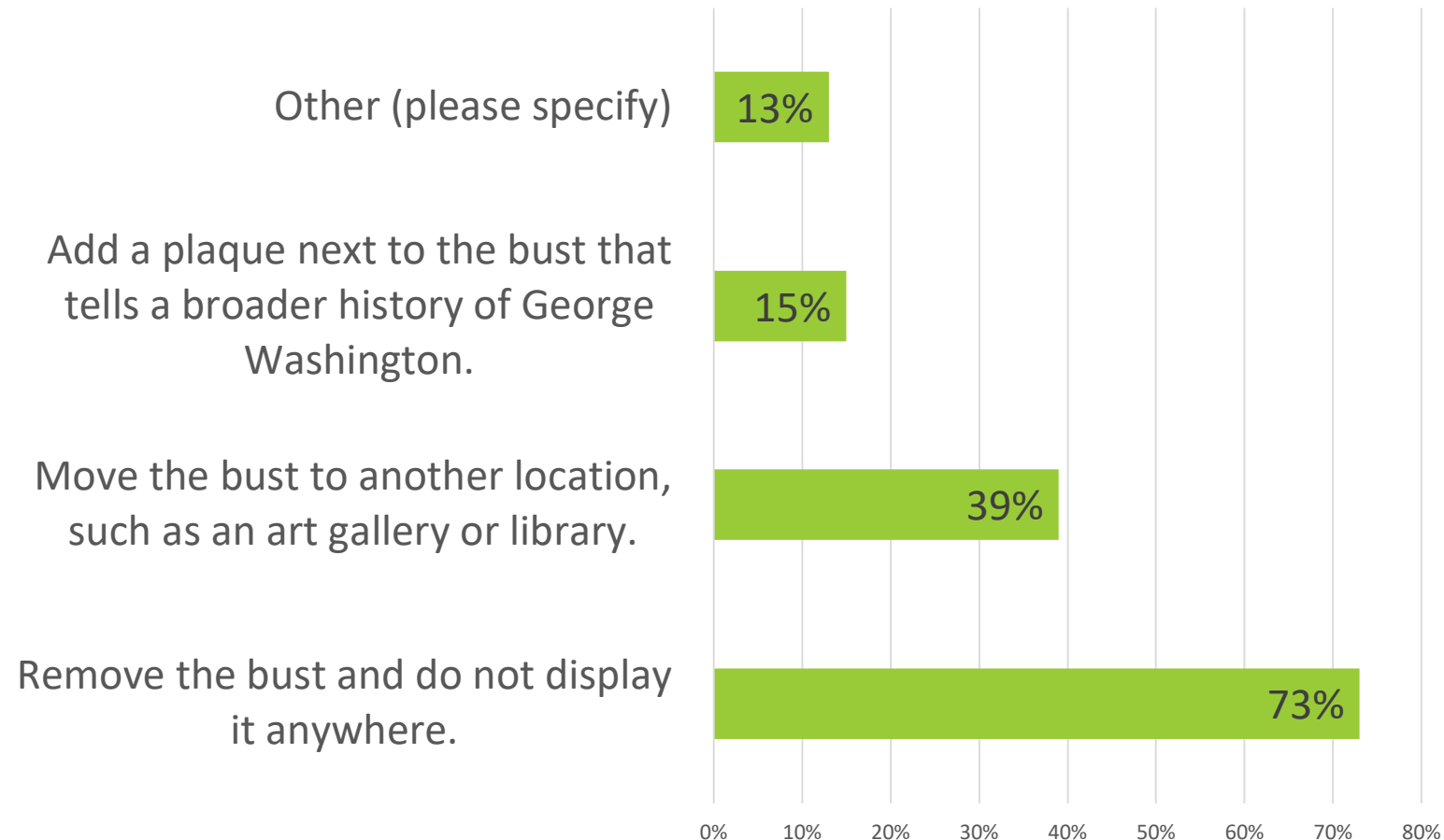
- All people are flawed
- Can't apply today's values to the past
- It was a donation that the City Council accepted
- George Washington freed his slaves
- We would not have the freedoms we have today if not for George Washington
- We should learn from history, not erase it
- Slavery was practiced throughout history, including in European, African and Aztec cultures

# Possible Actions

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# Possible Actions - Respondents in Favor of Removal

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# Possible Actions - Respondents in Favor of Removal

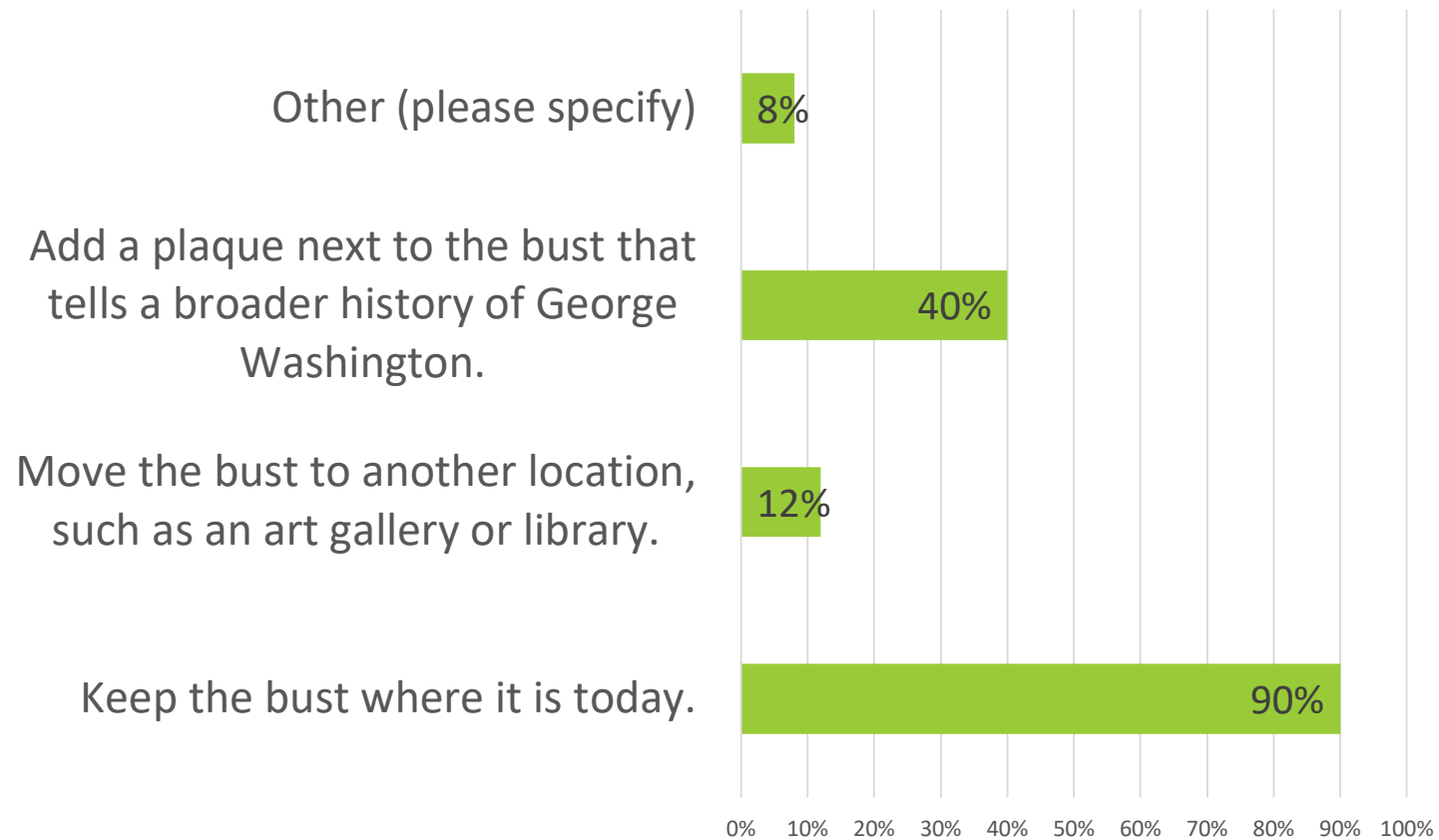
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## Other:

- Replace it with a statue of another historical figure
- Return it to the Alaga Family
- Relocate it **and** add a plaque that tells a broader history
- Add other statues of historical figures to the City Plaza

# Possible Actions - Respondents in Favor of Remaining

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# Possible Actions - Respondents in Favor of Remaining

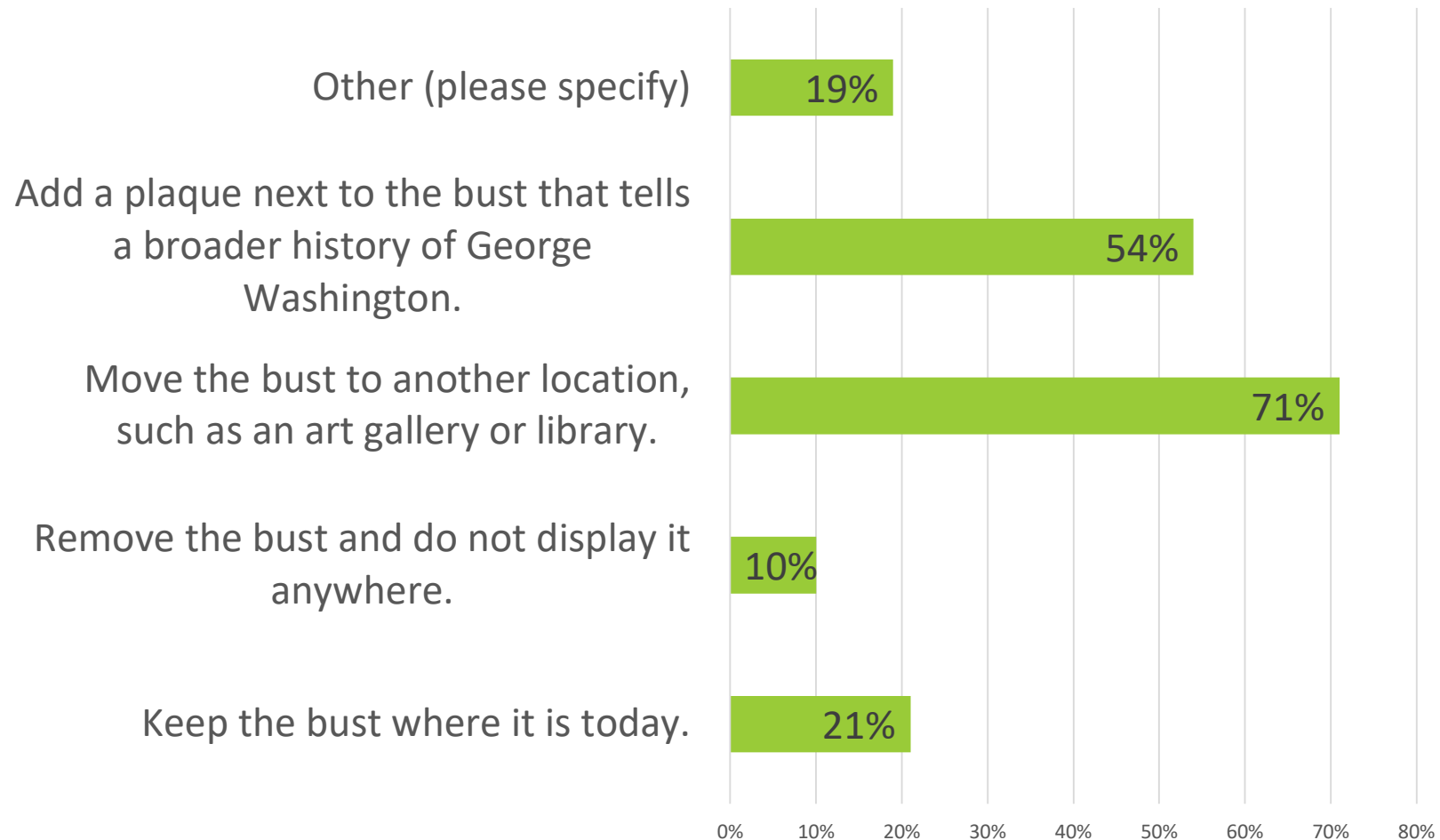
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## Other:

- Add statues/art that honor other leaders, heritages
- If it is removed, give the money back to Alaga Family
- If it is removed, do not replace it



# Possible Actions - Respondents who are Indifferent





Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

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## Fwd: {PCS} Do Not Remove George

1 message

---

**Desiree Moya** <[desiree.moya@cityofwatsonville.org](mailto:desiree.moya@cityofwatsonville.org)> Mon, Jul 27, 2020 at 9:50 AM  
To: Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>  
Cc: PCS <[pcs@cityofwatsonville.org](mailto:pcs@cityofwatsonville.org)>

Passing along an email regarding the George Washington Statue.

Thank you,

----- Forwarded message -----

From: **Bill Beecher** <[delmarbill@att.net](mailto:delmarbill@att.net)>  
Date: Sun, Jul 26, 2020 at 6:57 PM  
Subject: {PCS} Do Not Remove George  
To: <[pcs@cityofwatsonville.org](mailto:pcs@cityofwatsonville.org)>

For what ever faults he may have had, without him we would not be our own nation.  
Do not let Salinas tell us what to do especially with all the problems they have. Fix their  
own not ours.

Bill Beecher  
Pajaro Valley Historical Association

Sent from my iPhone

--





Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>

---

## Fwd: {PCS} Do not remove the monument

1 message

---

**Desiree Moya** <desiree.moya@cityofwatsonville.org>

Tue, Jul 28, 2020 at 1:58 PM

To: Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>

Cc: PCS <pcs@cityofwatsonville.org>

Good Afternoon,

I am forwarding along an email we received regarding the Washington monument.

Thank you,

----- Forwarded message -----

From: '**Kerri Barrick**' via **PCS** <[pcs@cityofwatsonville.org](mailto:pcs@cityofwatsonville.org)>

Date: Tue, Jul 28, 2020 at 1:11 PM

Subject: {PCS} Do not remove the monument

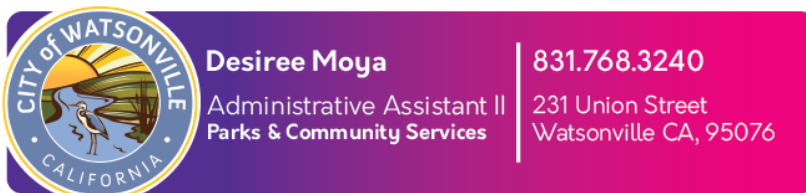
To: <[pcs@cityofwatsonville.org](mailto:pcs@cityofwatsonville.org)>

I am sending this email to implore you to NOT REMOVE the monument of George Washington, our nation's founding father, from the Watsonville City Plaza. I am a longtime resident of Watsonville, a graduate of WHS, and a teacher in the PVUSD, and would like my voice counted.

Kerri Barrick

Sent from my iPhone

--





Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>

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## Fwd: {PCS} George Washington bust

1 message

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**Desiree Moya** <desiree.moya@cityofwatsonville.org>

Tue, Jul 28, 2020 at 12:05 PM

To: Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>

Cc: PCS <pcs@cityofwatsonville.org>

Good Afternoon,

We received this email and I wanted to pass it along to you.

Thank you,

----- Forwarded message -----

From: **'Brittany Sarkes' via PCS** <[pcs@cityofwatsonville.org](mailto:pcs@cityofwatsonville.org)>

Date: Mon, Jul 27, 2020 at 3:19 PM

Subject: {PCS} George Washington bust

To: <[pcs@cityofwatsonville.org](mailto:pcs@cityofwatsonville.org)>

Please don't remove the George Washington bust in the Watsonville city plaza.

--





Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

---

## Fwd: {PCS} George Washington Monument

1 message

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**Desiree Moya** <[desiree.moya@cityofwatsonville.org](mailto:desiree.moya@cityofwatsonville.org)>

Mon, Jul 27, 2020 at 8:58 AM

To: Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

Cc: PCS <[pcs@cityofwatsonville.org](mailto:pcs@cityofwatsonville.org)>

Good Morning,

We received this email regarding the George Washington Statue. I wanted to pass it along for your records.

Thank you,

----- Forwarded message -----

From: **Bonnie Terribilini** <[bonnieterribilini@gmail.com](mailto:bonnieterribilini@gmail.com)>

Date: Sun, Jul 26, 2020 at 11:59 PM

Subject: {PCS} George Washington Monument

To: <[pcs@cityofwatsonville.org](mailto:pcs@cityofwatsonville.org)>

To the City of Watsonville City Council,

There is a silent majority you're not hearing from. Please do not erase our history by removing statues & monuments.

I'm a retired teacher and taught history in grades K-5. We learn from our past and appreciate what our forefathers and others contributed when this country was founded to present day history.

As a teacher, I taught about many of our heros, including George Washington, Thomas Jefferson, Harriet Tubman, Sojourner Truth, Clara Barton, and many more, including the Castros, who received Mexican Land Grants in the early history of Santa Cruz County. Teaching should not exclude those people who made a contribution to our country.

Please do not remove the statue of George Washington from our city plaza.

Thank you,  
Ed & Bonnie Terribilini  
Watsonville, CA

Sent from my iPhone

--



**Desiree Moya**  
Administrative Assistant II  
Parks & Community Services

**831.768.3240**  
231 Union Street  
Watsonville CA, 95076



Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>

---

## Fwd: {PCS} George Washington OUT

1 message

---

**Desiree Moya** <desiree.moya@cityofwatsonville.org>

Wed, Jul 29, 2020 at 8:32 AM

To: Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>

Cc: PCS <pcs@cityofwatsonville.org>

Good Morning,

We received this email regarding the George Washington statue.

Thank you,

----- Forwarded message -----

From: **Danielle A. Sanchez** <damg822@gmail.com>

Date: Wed, Jul 29, 2020 at 8:25 AM

Subject: {PCS} George Washington OUT

To: <pcs@cityofwatsonville.org>

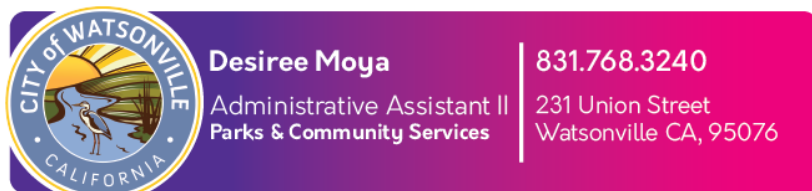
To whom this may concern and is sitting behind the monitor reading this,

Please remove the George Washington statue and return to the gentleman who donated it back in 1999. Maybe we should place it in his front yard or in his families?.

Paz, amor, gozo 🙌 📧

Danielle Sanchez

--





Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

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## Fwd: {PCS} Monument

1 message

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**Desiree Moya** <[desiree.moya@cityofwatsonville.org](mailto:desiree.moya@cityofwatsonville.org)> Mon, Jul 27, 2020 at 9:47 AM  
To: Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>  
Cc: PCS <[pcs@cityofwatsonville.org](mailto:pcs@cityofwatsonville.org)>

Passing along an email regarding the George Washington Statue.

Thank you,

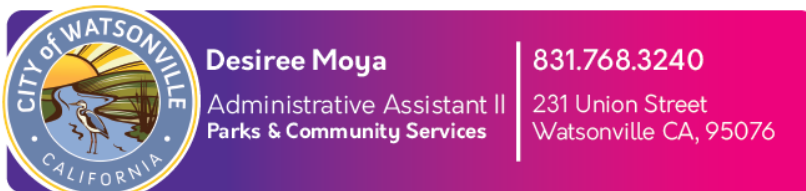
----- Forwarded message -----

From: **Betty Bjur** <[gtobjur190@gmail.com](mailto:gtobjur190@gmail.com)>  
Date: Sun, Jul 26, 2020 at 6:56 PM  
Subject: {PCS} Monument  
To: [pcs@cityofwatsonville.org](mailto:pcs@cityofwatsonville.org) <[pcs@cityofwatsonville.org](mailto:pcs@cityofwatsonville.org)>

Please do not remove the monument to George Washington in our Plaza. He was our first President & we honor him for that.

Allen Bjur  
[190 Bjur Dr](#)  
[Watsonville 95076](#)

--







Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

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## Fwd: {PCS} OUR beloved statue

1 message

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**Desiree Moya** <[desiree.moya@cityofwatsonville.org](mailto:desiree.moya@cityofwatsonville.org)>

Mon, Jul 27, 2020 at 9:01 AM

To: Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

Cc: PCS <[pcs@cityofwatsonville.org](mailto:pcs@cityofwatsonville.org)>

Good Morning,

We received this message regarding the Statue of George Washinton being removed from the Plaza. I wanted to pass it along for your records.

Thank you,

----- Forwarded message -----

From: **Loren Iversen** <[loren.iversen@gmail.com](mailto:loren.iversen@gmail.com)>

Date: Sun, Jul 26, 2020 at 9:50 PM

Subject: {PCS} OUR beloved statue

To: <[pcs@cityofwatsonville.org](mailto:pcs@cityofwatsonville.org)>

PLEASE do not remove the statue of Washington from the plaza . This is the most ridiculous thing i have ever heard. I grew up in the town of Watsonville , and see no good reason to remove the statue , don't bow to the neo marxists.

--



**Desiree Moya**

Administrative Assistant II  
Parks & Community Services

831.768.3240

231 Union Street  
Watsonville CA, 95076



Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

## Fwd: {PCS} Removal of George Washington bust in the Town Square

1 message

**Desiree Moya** <[desiree.moya@cityofwatsonville.org](mailto:desiree.moya@cityofwatsonville.org)>

Mon, Jul 20, 2020 at 3:20 PM

To: Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

Cc: PCS <[pcs@cityofwatsonville.org](mailto:pcs@cityofwatsonville.org)>

Good Afternoon,

We received this email regarding the George Washington bust, if you can please respond to Donna Blase regarding the suggestion for a petition of how many people actually want to keep the bust of Washington?

Thank you,

----- Forwarded message -----

From: **donna blase** <[blasedonna@gmail.com](mailto:blasedonna@gmail.com)>

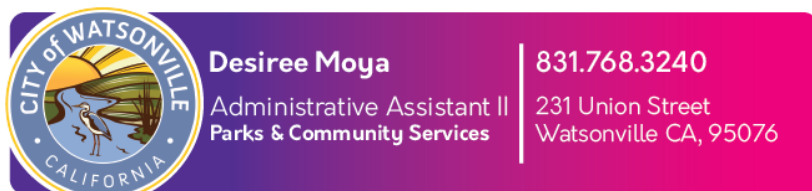
Date: Fri, Jul 17, 2020 at 2:12 PM

Subject: {PCS} Removal of George Washington bust in the Town Square

To: <[pcs@cityofwatsonville.org](mailto:pcs@cityofwatsonville.org)>

I vehemently opposed removing George Washington bust from the Watsonville Town Square. He is our founding father. We would not even have a country were it not for him. He persevered through the hardest winter in Potomac history to save our army and our country from being overtaken by the British he did the same in Yorktown, Virginia to stop Cornwallis and win the war. These people only want to see their side of History. George Washington means a lot more to our country than the mores of the time which he could not control on his own. But he did do everything in this control to try to set this country on the correct path. He could have become a king but he didn't want to. Maybe you should circulate a petition of how many people actually want to keep the bust of Washington.

--





Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

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## Fwd: {PCS} Removal of monument on the Plaza

1 message

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**Desiree Moya** <[desiree.moya@cityofwatsonville.org](mailto:desiree.moya@cityofwatsonville.org)> Tue, Jul 28, 2020 at 12:11 PM  
To: Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>  
Cc: PCS <[pcs@cityofwatsonville.org](mailto:pcs@cityofwatsonville.org)>

I am forwarding along an email we received regarding the Washington Statue.

Thank you,

----- Forwarded message -----

From: **Carol** <[tcharris2@charter.net](mailto:tcharris2@charter.net)>  
Date: Mon, Jul 27, 2020 at 5:32 PM  
Subject: {PCS} Removal of monument on the Plaza  
To: <[pcs@cityofwatsonville.org](mailto:pcs@cityofwatsonville.org)>

Dear Council Members,

As a former resident of Watsonville, we feel that we MUST give you our thoughts about removing the George Washington monument from the Plaza.

My husband is a first-generation American citizen, his parents both immigrated from England in 1929. His father fought for the British in World War I, became an American citizen and fought for our country in World War II. My husband served in the US Army during the Korean Conflict. We lost his brother during the Viet Nam War.

I am a descendant of a man who fought for our independence in the Revolutionary War on my mother's side. On my father's side, my great-great grandfather fought to free the slaves in the Civil War. My great-great uncle wasn't so fortunate as he died in a Confederate prison in Andersonville, Georgia.

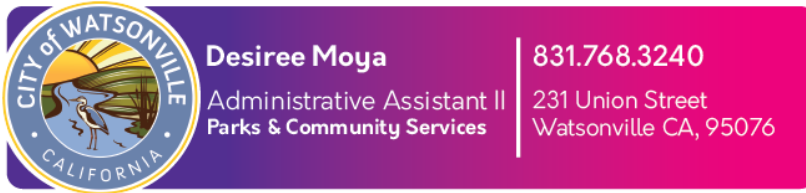
This is why are absolutely against this "act of protest," and against the removal of the monument that has graced the Watsonville Plaza since 2001.

Thank you for your kind attention.

Sincerely,

Tom and Carol Harris  
3530 Legacy Circle  
Granbury, TX 76049

--





Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>

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## Fwd: {PCS} Statue

1 message

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**Desiree Moya** <desiree.moya@cityofwatsonville.org> Tue, Jul 28, 2020 at 12:07 PM  
To: Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>  
Cc: PCS <pcs@cityofwatsonville.org>

Passing along another email regarding the Washington statue.

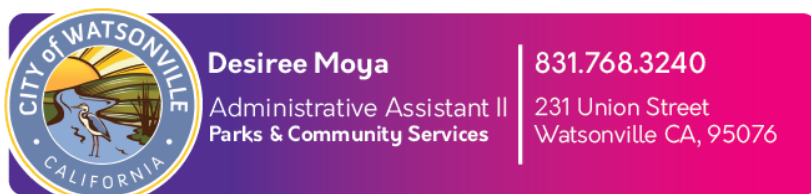
Thank you,

----- Forwarded message -----

From: 'Joanna Benson' via PCS <pcs@cityofwatsonville.org>  
Date: Mon, Jul 27, 2020 at 3:38 PM  
Subject: {PCS} Statue  
To: <pcs@cityofwatsonville.org>

Please leave the statue of Columbus in the Watsonville plaza. I understand some of the other statue removals but this one goes too far, because he is so largely historical. Thank you.

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Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>

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## Fwd: {PCS} Take down the George Washington Bust

1 message

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**Desiree Moya** <desiree.moya@cityofwatsonville.org> Tue, Jul 28, 2020 at 1:57 PM  
To: Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>  
Cc: PCS <pcs@cityofwatsonville.org>

Good Afternoon,  
I am forwarding an email we received regarding the Washington monument.

Thank you,

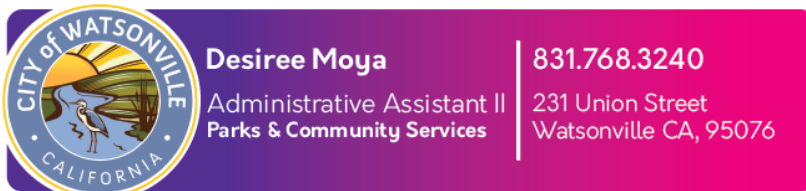
----- Forwarded message -----

From: **Piper Debella** <piperdebella@gmail.com>  
Date: Tue, Jul 28, 2020 at 12:37 PM  
Subject: {PCS} Take down the George Washington Bust  
To: <pcs@cityofwatsonville.org>

Hey! I am a citizen of Santa Cruz county and I would highly encourage you guys to take down the bust of George Washington. A racist white man with does not deserve the honor of a statue. He did not found this nation for people of color, he founded it for white people. It is extremely offensive to keep this bust up, take it down please :-)

Much Love,  
Piper

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Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

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## Fwd: {PCS} Washington Monument

1 message

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**Desiree Moya** <[desiree.moya@cityofwatsonville.org](mailto:desiree.moya@cityofwatsonville.org)> Tue, Jul 28, 2020 at 12:13 PM  
To: Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

I am forwarding an email we received regarding the Washington monument.

Thank you,

----- Forwarded message -----

From: **Brad Hubbard** <[brad\\_hubbard@pvusd.net](mailto:brad_hubbard@pvusd.net)>

Date: Tue, Jul 28, 2020 at 11:44 AM

Subject: {PCS} Washington Monument

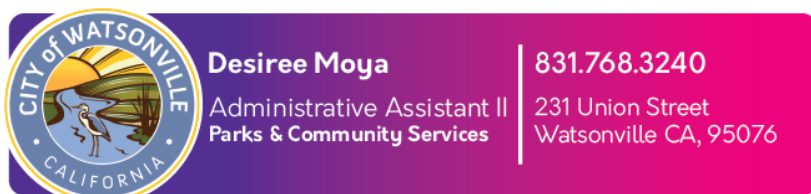
To: <[pcs@cityofwatsonville.org](mailto:pcs@cityofwatsonville.org)>, Betty Bjur <[gtobjur190@gmail.com](mailto:gtobjur190@gmail.com)>

City Council Members:

Please do not remove the Washington monument in the plaza in Watsonville. George Washington was one of the Founding Fathers along with Thomas Jefferson, Benjamin Franklin, John Adams, John Hancock, and Alexander Hamilton and their work was both critical and essential for the birth of our country. Without his leadership, direction, and support of the Continental Army, the colonists would have been defeated and Great Britain would have retained control of the 13 colonies. I very much want the Washington monument to remain in the city of Watsonville's plaza. Thank you.

Brad Hubbard  
Watsonville High School  
728-6390, ext 6482

--





Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>

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## Fwd: {PCS} Washington statue

1 message

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**Desiree Moya** <desiree.moya@cityofwatsonville.org> Mon, Jul 27, 2020 at 9:46 AM  
To: Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>  
Cc: PCS <pcs@cityofwatsonville.org>

Passing along another email regarding the George Washington Statue.

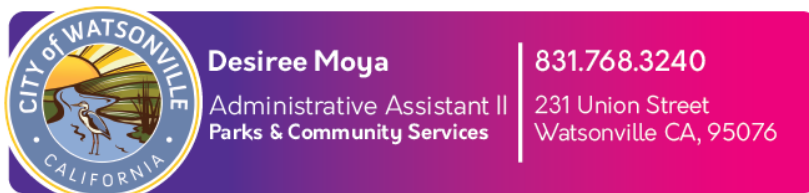
Thank you,

----- Forwarded message -----

From: **Terry Martinez** <theresamartinez.tm@gmail.com>  
Date: Sun, Jul 26, 2020 at 9:36 AM  
Subject: {PCS} Washington statue  
To: <pcs@cityofwatsonville.org>

Keep the statue

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Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

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## Fwd: {PCS} Washington

1 message

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**Desiree Moya** <[desiree.moya@cityofwatsonville.org](mailto:desiree.moya@cityofwatsonville.org)>

Tue, Jul 28, 2020 at 1:59 PM

To: Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

Cc: PCS <[pcs@cityofwatsonville.org](mailto:pcs@cityofwatsonville.org)>

Good Afternoon,

I am forwarding an email we received regarding the Washington monument.

Thank you,

----- Forwarded message -----

From: **'Pablo Barrick' via PCS** <[pcs@cityofwatsonville.org](mailto:pcs@cityofwatsonville.org)>

Date: Tue, Jul 28, 2020 at 1:24 PM

Subject: {PCS} Washington

To: <[pcs@cityofwatsonville.org](mailto:pcs@cityofwatsonville.org)>

Sent from my iPhone

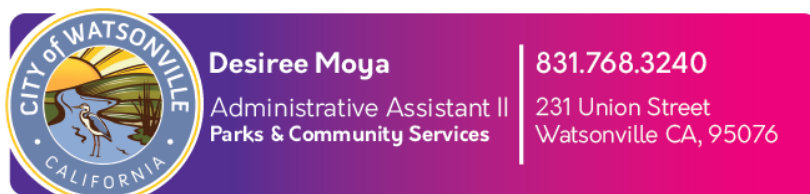
I am born and raised in Watsonville. I take my heritage of being both white and Mexican seriously. I DO NOT want the Washington memorial taken down. We can not bow to outside influences that are not part of us and our community. As part of a representative and democratic society I hope and expect my input to be considered.

Remember at the forming of our government Washington was asked to be king and he turned the offer down. We are the people.

Thank you,

Pablo Barrick

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Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

## Fwd: Please Keep George Washington Bust in Watsonville City Civic Plaza Park

1 message

**Marisa Fernandez** <[marisa.fernandez@cityofwatsonville.org](mailto:marisa.fernandez@cityofwatsonville.org)> Tue, Jul 21, 2020 at 8:17 AM  
To: Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

Hi Nick,

Good morning.

FYI below.

Thanks,

Marisa

----- Forwarded message -----

From: **Becky Steinbruner** <[ki6tkb@yahoo.com](mailto:ki6tkb@yahoo.com)>

Date: Tue, Jul 21, 2020 at 12:06 AM

Subject: Please Keep George Washington Bust in Watsonville City Civic Plaza Park

To: Watsonville City Council <[citycouncil@cityofwatsonville.org](mailto:citycouncil@cityofwatsonville.org)>, Watsonville City Clerk <[cityclerk@cityofwatsonville.org](mailto:cityclerk@cityofwatsonville.org)>

Cc: Becky Steinbruner <[ki6tkb@yahoo.com](mailto:ki6tkb@yahoo.com)>

Dear Watsonville City Council,

I am writing to urge that you preserve the George Washington bust in the Watsonville City Civic Plaza Park. The Change.org petition by Revolunas to remove it appears to have 1,190 signers at this time, but we do not know if those signers are from the Watsonville City or Santa Cruz County area.

While I support racial equality, I am opposed to removing important historic monuments that were put in place to honor the person and their actions in local, state and national events. I feel it is a disservice to future generations to attempt to erase and sanitize history, losing the vital lessons learned from the mistakes and consequences. Unless we learn about the circumstances that created or allowed some of the terrible events of the country and the world to happen, those terrible things will happen again.

I understand that the Change.org organizers feel that because George Washington owned slaves on his Mount Vernon farm, he should not be honored in the Watsonville City Civic Plaza Park now. What must be made known is that he inherited the slaves and the farm at the age of eleven when his father died. While George Washington continued to add more slaves to his farm as it grew, he was careful to never separate slave families, and would buy more slaves than he needed in order to preserve the slave family units.

George Washington also allowed slaves who were too ill or old to work to do other less-demanding work or not work at all, and provided for their health and well-being for the rest of their lives. He provided education for the children of slaves.

The literature discusses that he often voiced the opinion that he wished he did not have to depend on slaves for farm work.

*"In 1774 he was a key participant in the adoption of the [Fairfax Resolves](#) which, alongside the assertion of colonial rights, condemned the [transatlantic slave trade](#) on moral grounds. Washington was a signatory to that entire document, and thus publicly endorsed clause 17 "declaring our earnest wishes to see an entire stop forever put to such wicked, cruel, and unnatural trade."*

*In 1789 he signed a reenactment of the [Northwest Ordinance](#) which freed any new slaves brought after 1787 into a vast expanse of federal territory, except for slaves escaping from slave states. Washington also signed into law the [Slave Trade Act of 1794](#) that sought to limit the involvement of American ships or American exports in the [international slave trade](#).*

*Washington's slaves were the subjects of the longest provisions in the 29-page will, taking three pages in which his instructions were more forceful than in the rest of the document. His valet, William Lee, was freed immediately and his remaining 123 slaves were to be emancipated [on the death of Martha](#).<sup>1</sup> The deferral was intended to postpone the pain of separation that would occur when his slaves were freed but their spouses among the dower slaves remained in bondage, a situation which affected 20 couples and their children. It is possible Washington hoped Martha and her heirs who would inherit the dower slaves would solve this problem by following his example and emancipating them. Those too old or infirm to work were to be supported by his estate, as mandated by state law.*

*Washington went beyond the legal requirement to support and maintain younger slaves until adulthood, stipulating that those children whose education could not be undertaken by parents were to be taught reading, writing, and a useful trade by their masters and then be freed at the age of 25. He forbade the sale or transportation of any of his slaves out of Virginia before their emancipation. Including the Dandridge slaves, who were to be emancipated under similar terms, more than 160 slaves would be freed. Although Washington was not alone among Virginian slaveowners in freeing their slaves, he was unusual among those doing it for doing it so late, after the post-revolutionary support for emancipation in Virginia had faded.*

*He was also unusual for being the only slave-owning Founding Father to do so."*

[https://en.wikipedia.org/wiki/George\\_Washington\\_and\\_slavery](https://en.wikipedia.org/wiki/George_Washington_and_slavery)

What I feel the Revolutionas Petition organizers are forgetting is that George Washington led many Revolutionary War battles that enabled our country to be free from oppressive British rule. They have forgotten that he presided over the Constitutional Convention in 1787, and helped enable the beginnings of our republic began with a system of governmental checks and balances that exists nowhere else in the world.

Please do not allow any group to remove the George Washington bust in the Watsonville City Civic Plaza Park. Instead, encourage teaching moments of lessons learned from the past that must be kept alive for future generations, so that they are not repeated. Honor history, rather than erase and sanitize it.

Thank you very much.

Sincerely,  
Becky Steinbruner  
831-685-2915

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**Marisa Fernandez**  
Executive Assistant to City  
Manager and City Council  
City Manager's Office

831.768.3047  
275 Main St. Suite 400  
Watsonville CA, 95076



Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

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## Fwd: Response to attempt to remove bust from City Plaza

1 message

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**Marisa Fernandez**

<[marisa.fernandez@cityofwatsonville.org](mailto:marisa.fernandez@cityofwatsonville.org)>

Mon, Jul 27, 2020 at 9:02 AM

To: Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

Hi Nick,

Good morning. FYI below.

Thanks,

Marisa

----- Forwarded message -----

From: [b.wiser@k6rmw.net](mailto:b.wiser@k6rmw.net) <[b.wiser@k6rmw.net](mailto:b.wiser@k6rmw.net)>

Date: Sat, Jul 25, 2020 at 12:56 PM

Subject: Response to attempt to remove bust from City Plaza

To: <[citycouncil@cityofwatsonville.org](mailto:citycouncil@cityofwatsonville.org)>

Cc: <[cityclerk@cityofwatsonville.org](mailto:cityclerk@cityofwatsonville.org)>, <[citymanager@cityofwatsonville.org](mailto:citymanager@cityofwatsonville.org)>

I am writing in response to the recent news item which expressed the desire of some residence of the community, to remove a bust of one of our country founders from the city plaza. I am in objection to the removal of any existing monuments from our city parks and lands.

Regardless of who the bust may be of, while they may have had "slaves" under their rule some 200+ years ago, they were founders of this country and have a rightful place in history of our country, weather we want them to or not - it is a fact.

I would base my objection of a simple statement from the Bible which states, "He who has no sin cast the first stone." The past is the past and now is now, and you can't change the past of an individual by attempting to cover it up. I would offer that the person the bust in our city park is of, did more good for this country, and our city which is a part of this country, than he did wrong as a person, as he's now scene as being. Ideas and opinions change over time, but history does not.

Removing a statue, or any other reminder such as a cross in a cemetery marking someone who may have done something wrong in their life, does not make its removal right or prove anything.

I have lived in this community since 1963 and there has never been a problem associated with that statue and there isn't one now, only some people who would like to express they are offended. That is fine and your right, be offended - just leave the statue alone for the rest of us.

How about we all be offended that so many people are so darn offended about everything these days. What will be next?

Regards,

Bob Wiser  
120 Arthur Road  
Watsonville, CA 95076

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Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

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## Fwd: Statue removal

1 message

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**City Manager** <[citymanager@cityofwatsonville.org](mailto:citymanager@cityofwatsonville.org)>

Thu, Jul 16, 2020 at 4:09 PM

To: Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

Cc: Matt Huffaker <[matt.huffaker@cityofwatsonville.org](mailto:matt.huffaker@cityofwatsonville.org)>

Hi Nick,

Good afternoon. I hope all is well. I am forwarding you the email below in regards to the George Washington statue located at the city plaza.

Thank you,

Marisa

----- Forwarded message -----

From: **Scott Martin** <[larz1@att.net](mailto:larz1@att.net)>

Date: Thu, Jul 16, 2020 at 12:19 PM

Subject: Statue removal

To: <[citycouncil@cityofwatsonville.org](mailto:citycouncil@cityofwatsonville.org)>, <[cityclerk@cityofwatsonville.org](mailto:cityclerk@cityofwatsonville.org)>, <[citymanager@cityofwatsonville.org](mailto:citymanager@cityofwatsonville.org)>

I am writing to you about statue removal. I am totally against the removal of our statues. It's part of Our Great History. If you do consider the removal. It should be on a ballot for the people to decide ! Thank You Scott Martin



Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

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## Fwd: statue

1 message

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**City Manager** <[citymanager@cityofwatsonville.org](mailto:citymanager@cityofwatsonville.org)>

Fri, Jul 17, 2020 at 11:06 AM

To: Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

Cc: Matt Huffaker <[matt.huffaker@cityofwatsonville.org](mailto:matt.huffaker@cityofwatsonville.org)>

Good morning!

FYI below.

Thank you,

Marisa

----- Forwarded message -----

From: **Margaret McNeely** <[margedmc@aol.com](mailto:margedmc@aol.com)>

Date: Fri, Jul 17, 2020 at 10:14 AM

Subject: RE: statue

To: <[citymanager@cityofwatsonville.org](mailto:citymanager@cityofwatsonville.org)>

Hi Matt,

I am contacting you to say I am very very very opposed to the removal of the Washington statue.

It is very upsetting to me that these anarchist are destroying all our wonderful statues all over this

country. They are trying to destroy our rich history and our country. I have been a citizen of this town

since 1968. It is very changed since I moved here and not for the better. Please , please do not

remove this statue and if it is removed please protect it somewhere and maybe some day we will

have better people here who will put it back in its rightful place. I fear for our country.

Hopefully

Trump will be reelected and we can have 4 more years. I don't want the socialists to take over.

CA has already fallen. If I was not 80 I would be leaving this state. Please Matt do what you can to

protect Washington..

Margaret “Marged” McNeely





Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>

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## George Washington Statue

1 message

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**lewisgiant49@charter.net** <lewisgiant49@charter.net>

Fri, Jul 24, 2020 at 11:24 AM

To: nick.calubaquib@cityofwatsonville.org

We are residence of Watsonville for over 70 years. We strongly oppose the removal of the George Washington Statue at our city plaza. We never had the opportunity to give our opinion on this matter so we are now. Please consider this man's whole contribution to our country and our history.

Marilyn and Carl Lewis.

Sent from my iPhone



Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>

## Online Form Submittal: Parks and Recreation Customer Comment Form

1 message

**noreply@civicplus.com** <noreply@civicplus.com>

Mon, Jul 27, 2020 at 7:37 AM

To: nick.calubaquib@cityofwatsonville.org, imelda.negrete@cityofwatsonville.org, adriana.flores@cityofwatsonville.org

### Parks and Recreation Customer Comment Form

Parks and Recreation Customer Comment Form

*Please complete this form to submit your comments regarding parks and recreation programs and services. If you have a maintenance concern, use our Maintenance Report form: <https://www.cityofwatsonville.org/FormCenter/Parks-Community-Services-14/Park-or-Recreation-Facility-Maintenance--112>*

Area of Comment or Concern    General

Please Provide us with your    DO NOT REMOVE GEORGE WASHINGTON'S MONUMENT  
Comments

Contact Information (Optional)

First Name    BEVERLY

Last Name    GLOFF

Phone Number    2547497171

Email Address    *Field not completed.*

Email not displaying correctly? [View it in your browser.](#)



Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>

## Online Form Submittal: Parks and Recreation Customer Comment Form

1 message

noreply@civicplus.com <noreply@civicplus.com>

Mon, Jul 27, 2020 at 7:43 AM

To: nick.calubaquib@cityofwatsonville.org, imelda.negrete@cityofwatsonville.org, adriana.flores@cityofwatsonville.org

### Parks and Recreation Customer Comment Form

Parks and Recreation Customer Comment Form

*Please complete this form to submit your comments regarding parks and recreation programs and services. If you have a maintenance concern, use our Maintenance Report form: <https://www.cityofwatsonville.org/FormCenter/Parks-Community-Services-14/Park-or-Recreation-Facility-Maintenance--112>*

Area of Comment or Concern    General

Please Provide us with your    DO NOT REMOVE GEORGE WASHINGTON'S MONUMENT  
Comments

Contact Information (Optional)

First Name    WAYNE

Last Name    GLOFF

Phone Number    *Field not completed.*

Email Address    *Field not completed.*

Email not displaying correctly? [View it in your browser.](#)



Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>

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## Re: G.W. Statue

1 message

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**Nick Calubaquib** <nick.calubaquib@cityofwatsonville.org> Mon, Jul 20, 2020 at 12:42 PM  
To: Marisa Fernandez <marisa.fernandez@cityofwatsonville.org>  
Cc: Matt Huffaker <matt.huffaker@cityofwatsonville.org>

Thanks. Just spoke with Doris and informed her of the PRC meeting on 8/3.

Thanks,



[www.watsonvillerec.com](http://www.watsonvillerec.com)

<https://www.facebook.com/watsonvillerec/>

On Thu, Jul 16, 2020 at 4:48 PM Marisa Fernandez <[marisa.fernandez@cityofwatsonville.org](mailto:marisa.fernandez@cityofwatsonville.org)> wrote:

Hi Nick,

Doris Russell, is a community member who called in with concerns about the George Washington statue being removed from the city plaza.

Here is her contact info: (831) 761-5136

Thank you,

Marisa

--





Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

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## RE: George Washington Bust in City Plaza

1 message

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**nick.alaga@gmail.com** <[nick.alaga@gmail.com](mailto:nick.alaga@gmail.com)>

Wed, Jul 22, 2020 at 3:35 PM

To: Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

Cc: Nick Alaga <[nick.alaga@gmail.com](mailto:nick.alaga@gmail.com)>

Hi Nick

Thank you for reaching out. Yes, I am related to Lloyd (if the name is Alaga, we're probably related 😊). He was a distant cousin, much older than me, and I never had the pleasure of meeting him. I have three uncles who live locally, who are more closely related than me, and may know relatives who are even closer. I will reach out to them and see what I can find out.

Regarding the bust of George Washington; I was made aware of the local sentiment last week. Watsonville is a wonderful town with an obvious changing demographic. At the time the bust was installed I'm certain there was strong support for it. I don't believe that the past residents should dictate to the current residents what should be displayed in their public places. If it were to come about that the bust is to be removed, I would appreciate the opportunity to move it to a location where it would be safe, and when the community is ready to support its presence again, it be re-installed as Lloyd had wished.

Thank you again, and feel free to give me a call if you'd like to discuss this further,

Nick

Nick Alaga

Mobile: 831.234.8457

[nick.alaga@gmail.com](mailto:nick.alaga@gmail.com)

[www.linkedin.com/in/nickalaga](http://www.linkedin.com/in/nickalaga)

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**From:** Nick Calubaquib <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>  
**Sent:** Wednesday, July 22, 2020 2:44 PM  
**To:** [nick.alaga@gmail.com](mailto:nick.alaga@gmail.com)  
**Subject:** George Washington Bust in City Plaza

Hi Nick,

My name is Nick Calubaquib and I am the Parks and Community Services Director for the City of Watsonville. I am reaching out to see if you might be related to Lloyd F. Alaga, who passed away in 1997. Mr. Alaga left about \$300,000 to the City of Watsonville to purchase reference materials for the Watsonville Library, restore the historical fountain in the City Plaza and install a bust of George Washington in the City Plaza. I have been having a hard time finding surviving relatives of Mr. Alaga and his estate. If are or know anyone who is related to Lloyd Alaga, it would be great to connect with you.

You may be aware that recently there are community members that have raised some concerns regarding the placement of the George Washington bust in the Plaza, including a petition that is circulating calling for its removal. There are certainly community members who have opinions on both sides of the debate.

To allow for a community conversation, staff will bring an item before the Parks and Recreation Commission, including all the relevant background, regarding this topic on August 3 at 6:30p.

The meeting link and call in number will be published on the meeting agenda, which you will be able to find [here](#) theThursday prior to the meeting.

Thank you!



[www.watsonvillerec.com](http://www.watsonvillerec.com)

<https://www.facebook.com/watsonvillerec/>



Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>

## Statue

1 message

**Beatriz Flores** <beatriz.flores@cityofwatsonville.org> Mon, Jul 20, 2020 at 10:55 AM  
To: Matt Huffaker <matt.huffaker@cityofwatsonville.org>, Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>, Tamara Vides <tamara.vides@cityofwatsonville.org>  
Cc: Irwin Ortiz <irwin.ortiz@cityofwatsonville.org>

See the attached emails from Margaret McNeely.



[beatriz.flores@cityofwatsonville.org](mailto:beatriz.flores@cityofwatsonville.org)

Business Hours: 8:00 am to 5:00 pm Monday - Friday.

----- Forwarded message -----

From: Margaret McNeely <margedmc@aol.com>  
To: trina.coffman@cityofwatsonville.org, cityclerk@cityofwatsonville.org  
Cc:  
Bcc:  
Date: Fri, 17 Jul 2020 14:13:53 -0700  
Subject: RE: statue

Hi Tina,

I am writing to tell you that I very very very much oppose taking down Washington statue I am very upset with all these anarchist taking down our statues all over the nation and trying to delete our heritage and history. I am sad that it has come to our town also. These people are evil and no one seems to be doing anything to stop them. I am asking you to please not take down the Father of our country. If it offends them they should leave our country. I am a very proud patriotic citizen and am very worried about where this country is headed. I do not want to live in a socialist country. It has not worked in any other countries and it will not work



here. Unfortunately CA has already fallen. If I was not 80 and was young I would leave this state. All they want is more taxes and fees to turn around and give to people who should not be here. Please do not do this. Keep the statue.

Margaret "Marged" McNeely  
722 0929

----- Forwarded message -----

From: Margaret McNeely <margedmc@aol.com>  
To: aurelio.gonzalez@cityofwatsonville.org, cityclerk@cityofwatsonville.org  
Cc:  
Bcc:  
Date: Fri, 17 Jul 2020 10:21:18 -0700  
Subject: RE: statue

I am writing to say please please please do not remove the Washington Statue from the plaza.

I am tired of the anarchist tearing down our history and trying to destroy our country. We have

a rich historical heritage and I am proud of my country and am so sad and angry that our wonderful

statues are being torn down. These people were important to our history whether someone liked or

disliked them. I am offended for example when people in this town fly Mexican flags but I do not

go around and tear down their flags. But this is my country and the flag is the American flag. But

back to the statue. Please stake a stand and keep it where it is. Please Please Please Do what is right., He is the Father of our country. Love it or leave it is my motto.

Margaret "Marged" McNeely  
722 0929

----- Forwarded message -----

From: Margaret McNeely <margedmc@aol.com>  
To: francisco.estrada@cityofwatsonville.org, cityclerk@cityofwatsonville.org  
Cc:  
Bcc:  
Date: Fri, 17 Jul 2020 09:50:14 -0700  
Subject: RE: the statue

I am writing because I am very very very opposed to the Washington statue being taken down.

I am tired of these anarchists taking down all these wonderful statues and trying to destroy our

history and destroying our country. It makes me very sad and angry. This is my country

and I do  
not want to live in a socialist country. CA is already lost to socialism and I am  
embarrassed that  
I was born in this state. If I was a young person I would be leaving. I am too old to make  
a change  
now. Please take a stand and leave Washington where he is. If he is taken down I would  
love to  
have him as he is the Father of my Country and I would be proud to have him.

Margaret "Marged" McNeely  
722 0929

----- Forwarded message -----

From: Margaret McNeely <margedmc@aol.com>

To: francisco.estrada@cityofwatsonville.org, cityclerk@cityofwatsonville.org

Cc:

Bcc:

Date: Fri, 17 Jul 2020 10:04:48 -0700

Subject: RE: statre ue

I am a citizen of this city since 1968. I am very very very opposed to this statue of  
Washington

being removed from the plaza. I am tired of all the statues in our country being removed  
or

vandalized by these anarchist people who are trying to destroy our history and our  
country.

It makes me sad and angry. This is my history and Watsonville needs to be better than  
the rest

of the country who is allowing this travesty to occur. Please man up and take a stand  
against

this. We have a rich heritage and history in this country and even here in our city. The  
people

who want this removed should leave the city if they are so offended. Washington is the  
Father

of our Country. I am a proud true patriot of this country.

Margaret "Marged" McNeely  
722-00929

----- Forwarded message -----

From: Margaret McNeely <margedmc@aol.com>

To: trina.coffman@cityofwatsonville.org, cityclerk@cityofwatsonville.org

Cc:

Bcc:

Date: Fri, 17 Jul 2020 09:38:46 -0700

Subject: RE: statue

Hi,

I am very very very opposed to the statue of Washington being removed from the plaza.

I am tired of these anarchist who are trying to destroy our history and country tearing down history. Please do what is right and leave it alone and see that it is protected. I would be glad to have the statue of it is taken down. I am a true patriotic citizen and am very upset about all these statues being removed. It is my history and if they don't like it let them leave this country.  
Margaret "Marged" McNeely  
722 0929

----- Forwarded message -----

From: Margaret McNeely <margedmc@aol.com>  
To: ari.parker@cityofwatsonville.org, cityclerk@cityofwatsonville.org  
Cc:  
Bcc:  
Date: Fri, 17 Jul 2020 09:44:04 -0700  
Subject: About statue

Hi Ari,  
I am a retired teacher. Think you may have gone to Corralitos after I retired. Anyway I am very very opposed to the Washington statue being removed. I am sick about these cry baby anarchist tearing down all these statues and trying to destroy all of our history. In fact I am angry and it is backfiring because I am going to the opposite way of what they want. Please please do not remove the statue. I have been in Watsonville since 1968 and am seeing the city go down hill and it is very very sad. Be brave and take a stand.

Margaret "Marged" McNeely  
722 0929

----- Forwarded message -----

From: Margaret McNeely <margedmc@aol.com>  
To: rebecca.garcia@cityofwatsonville.org, cityclerk@cityofwatsonville.org  
Cc:  
Bcc:  
Date: Fri, 17 Jul 2020 09:34:37 -0700  
Subject: RE:statue

I am very very opposed to removing the Washington statue from the plaza. I am opposed to any statue being removed and am tired of these anarchist trying to destroy our history. This needs to stop and it needs to stop here in Watsonville. I have lived in Watsonville since 1968 and am sad at the demise of this city. Please please do not do this. Stand up and do what is right.

Margaret "Marged" McNeely  
722 0929

----- Forwarded message -----

From: Margaret McNeely <margedmc@aol.com>

To: felipe.hernandez@cityofwatsonville.org, cityclerk@cityofwatsonville.org

Cc:

Bcc:

Date: Fri, 17 Jul 2020 09:27:40 -0700

Subject: RE: statue removal

Hello,

I am very very much opposed to the Washington statue being removed.

Am sick and tired of our history being torn down by these anarchist people trying to destroy our country Please do what is right and keep it where it is.

Margaret "Marged" McNeely

Watsonville citizen since 1968

722 0929

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**8 attachments**



**RE: statue.eml**

11K



**RE: statue.eml**

11K



**RE: the statue.eml**

11K



**RE: statre ue.eml**

11K



**RE: statue.eml**

10K



**About statue.eml**

11K



**RE:statue.eml**

10K



**RE: statue removal.eml**

10K



Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>

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## Washington Monument

1 message

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**Betty Bjur** <gtobjur190@gmail.com>

Thu, Jul 23, 2020 at 7:09 PM

To: "citycouncil@cityofwatsonville.org" <citycouncil@cityofwatsonville.org>,  
"nick.calubaquib@cityofwatsonville.org" <nick.calubaquib@cityofwatsonville.org>

I am extremely disturbed by the idea of removing President George Washington monument from our beautiful plaza. Doesn't anybody know the contribution that President Washington made to the birth & establishment of our country? If you would just take some time to read early America's history, you would know that this country would not exist without President Washington's contribution to American independence & gift of leadership. Please don't be pushed around by the changing cultural political norms of the time. If you would stop & consider the advancements that American culture has made over the last 300 years in racial equality, the freedom of mankind throughout the world, all had its start because of George Washington. His contribution far out ways the fact that he owned slaves, which were freed upon his death.

The first I heard of this was reading Manny Solano's page on Facebook. This has not even been publicized to the people in Watsonville. Did you not want us to know about this possible removal of the monument? I'm actually in shock over this & totally disappointed. How could anyone sign a petition when we are in the middle of a pandemic? 1000 signatures? Are the names going to be made public? Do they live in Watsonville? We are in stay in place orders, not out collecting signatures. Lots of questions from a person that was born & raised here & taught school in Watsonville, now retired but continue to sub in the school district. I love this city & our monument & plaza.

I hope that if the council decides to remove his monument, the city of Watsonville has \$100,000.00 to repay Mr Alaga's estate. I know the Alaga family had to have the city council approval before they were allowed to put the monument in place.

Betty Henry Bjur

Subject: Statue removal  
From: Scott Martin <larz1@att.net>  
To: <citycouncil@cityofwatsonville.org>, <cityclerk@cityofwatsonville.org>,  
<citymanager@cityofwatsonville.org>  
Date: Thu Jul 16 2020 12:19:40 GMT-0700 (Pacific Daylight Time)  
Filename: Statue removal.eml

I am writing to you about statue removal. I am totally against the removal of our statues. It's part of Our Great History. If you do consider the removal. It should be on a ballot for the people to decide ! Thank You Scott Martin

Subject: Washington Statue  
From: Eric Vargas <vargas.eh@gmail.com>  
To: <trina.coffman@cityofwatsonville.org>, <cityclerk@cityofwatsonville.org>  
Date: Thu Jul 16 2020 12:48:36 GMT-0700 (Pacific Daylight Time)  
Filename: Washington Statue.eml

Please do not cave to pressure by these groups to remove the statue of George Washington.

This supposed "movement" to end police brutality has now morphed into pure mob violence threatening to remove or destroy anything is American. Don't you see something wrong with this?

This is still America! It is because of the brave actions of our Founding Fathers such as George Washington that all of us now have this wonderful country in which we have enjoyed God given rights and liberties.

The real problem is so many young people growing up ignorant of our country's history and importance, and being taught to hate their own country.

And now, these groups who claim to promote "social justice" are the ones making communities feel unsafe and even afraid to speak our honest opinions, lest we anger the mob and feel their wrath.

Is that where you are headed? Is that how you will give up your city and your country? At the demand of some angry mob?

Please don't.



Desiree Moya <desiree.moya@cityofwatsonville.org>

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## Fwd: George Washington

1 message

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**Nick Calubaquib** <nick.calubaquib@cityofwatsonville.org>  
To: Desiree Moya <desiree.moya@cityofwatsonville.org>

Mon, Sep 14, 2020 at 10:27 AM

Please save and add to spreadsheet.

Thanks!



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<https://www.facebook.com/watsonvillerec/>

----- Forwarded message -----

From: **Roz diNatale** <[quiltlady500@gmail.com](mailto:quiltlady500@gmail.com)>  
Date: Sat, Sep 5, 2020 at 3:57 PM  
Subject: George Washington  
To: <[nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org)>

I understand the history of President Washington has created both sides that want to honor his memory and those that want to remove the bust because he was a slave owner. It is good to know that he later changed his thinking and provided for the slaves that he owned. I believe that it was a way of life during that time period and he did make amends for his beliefs.

Since his actions has created a lot of pain for so many people, it would be a good gesture to have the bust removed from the park. We have many heroes during our time that we could honor with statues, etc. If we must have them.

I guess my opinion is that it should be removed.

Roz diNatale





Desiree Moya <desiree.moya@cityofwatsonville.org>

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## Fwd: GW Bust Brouhaha

1 message

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**Nick Calubaquib** <nick.calubaquib@cityofwatsonville.org>  
To: Desiree Moya <desiree.moya@cityofwatsonville.org>

Mon, Sep 14, 2020 at 11:02 AM

To save and add to the spreadsheet.

Thanks!



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<https://www.facebook.com/watsonvillerec/>

----- Forwarded message -----

From: **Beatriz Flores** <beatriz.flores@cityofwatsonville.org>

Date: Tue, Sep 8, 2020 at 10:11 AM

Subject: Fwd: GW Bust Brouhaha

To: Matt Huffaker <matt.huffaker@cityofwatsonville.org>, Tamara Vides <tamara.vides@cityofwatsonville.org>, Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>



[beatriz.flores@cityofwatsonville.org](mailto:beatriz.flores@cityofwatsonville.org)

Business Hours: 8:00 am to 5:00 pm Monday - Friday.

----- Forwarded message -----

From: **Bampa** <unkledon@aol.com>

Date: Mon, Sep 7, 2020 at 11:48 AM

Subject: GW Bust Brouhaha

To: <felipe.hernandez@cityofwatsonville.org>, <cityclerk@cityofwatsonville.org>, <lowell.hurst@cityofwatsonville.org>, <rebecca.garcia@cityofwatsonville.org>

I am writing to the three of you because you know of my work. Among other things, back in 1994 when we started New School, I conducted conflict resolution groups with Northside and Poorside gang members who had shot at each other before. I learned that LISTENING can resolve a lot of misunderstandings.

I am very concerned about the direction the polarization in this country is taking us. Already in some cities there is violence.

I believe Watsonville is better than that.

I know Citlali Cabadas, who is one of the protagonists in this drama and I also know Manny Solano who is another. Both are good people.

Before a mass meeting when no one listens to the other side, I propose a very small "listening session" where the major protagonists, through various structures, could LISTEN to each other. The worst that could happen is that each side would feel more heard, and the issues would be better clarified.



Desiree Moya <desiree.moya@cityofwatsonville.org>

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## Fwd: Your Input is Needed!

1 message

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**Nick Calubaquib** <nick.calubaquib@cityofwatsonville.org>  
To: Desiree Moya <desiree.moya@cityofwatsonville.org>

Mon, Sep 14, 2020 at 10:11 AM

Hi Desiree,

Please save to our files and add to the spreadsheet.

Thanks!



[www.watsonvillerec.com](http://www.watsonvillerec.com)

<https://www.facebook.com/watsonvillerec/>

----- Forwarded message -----

From: **Imelda Negrete** <imelda.negrete@cityofwatsonville.org>  
Date: Tue, Sep 8, 2020 at 12:16 PM  
Subject: Fwd: Your Input is Needed!  
To: Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>

----- Forwarded message -----

From: **Zarko Radich** <zradich@gmail.com>  
Date: Tue, Sep 8, 2020 at 12:01 PM  
Subject: Re: Your Input is Needed!  
To: <imelda.negrete@cityofwatsonville.org>

Sir,

If you call talks to those that call themselves Revolunas, 'dialogue':

they are NOT for dialogue. They are too loud,  
coming with an agenda and following somebody's  
directions. That makes dialogue impossible.

This has to go to the people of Watsonville. to vote and that would be the only fair solution.

Best regards,

Z. Radich

On Fri, Sep 4, 2020 at 12:20 PM City of Watsonville Parks & Community Services <imelda.negrete@cityofwatsonville.org> wrote:

**City of Watsonville**  
**Parks and Community Services**



# REX'S UPDATES

September 2020



The City is seeking greater community input through a survey on the George Washington bust. The survey will be open through September 30. A series of Town Hall Meetings will be scheduled in October to share survey results and collect ideas from residents to create viable options for consideration of the Parks and Recreation Commission during its meeting on November 2.

Please participate in our survey by September 30 by clicking [here](#)!

Please feel free to share our survey with anyone you know who may have interest in this topic. Please note that survey responses require contact information. This is for the purpose of reducing duplicate entries and to determine residency only. Personal information will not be shared and responses will remain confidential. Non-resident responses will be counted separately.

## More Information regarding the George Washington Bust

The City of Watsonville is seeking your input on the George Washington bust in the City Plaza.

On May 25, 1999, the City Council unanimously adopted a resolution approving the acceptance of a monetary gift of approximately \$100,000 from the Estate of Lloyd F. Alaga, for the purpose of placing a bust of George Washington in the City Plaza and using any excess funds to refurbish the historic fountain, also in the City Plaza. The Council also accepted a monetary gift of approximately \$200,000 from the Estate for the acquisition of library reference works. Mr. Alaga was a Watsonville native of Croatian descent. Artist Michelle Armitage created and installed the bust and an unveiling ceremony was conducted in 2001.

Recently, an online petition was created calling for the removal of the George Washington bust. A counter petition was then created calling for the bust to remain in its current location. A sit in was hosted on July 17 in front of the George Washington bust that was attended by community members both in support of and against its removal. Another group organized a sit in to save the bust on July 31. The City Council, City Manager, City Clerk and Parks and Community Services Director have received many emails regarding this matter, which has also been reported on by the Register

Pajaronian, KION and other media outlets. The Parks and Recreation Commission held a study session regarding the bust on August 3 that was attended by over 190 community members, many of whom expressed their opinions advocating that the bust be removed or remain.

Some of the viewpoints expressed by supporters of the removal of the bust include that George Washington owned 100s of slaves, aided in the genocide of the Indigenous people of this land and is a symbol of White Supremacy. If we are going to display representations of men like Washington in a public space, we should then include features that reflect their dark, inhumane and genocidal qualities as well. If monuments are meant to be permanent tributes to individuals and what they stand for, this idea is laden with many flaws and this bust does not reflect the values of our community and must be removed.

Some of the viewpoints expressed by supporters of the bust remaining include that the bust serves as a reminder of our country's history, recognizing we are a nation of diverse people who fought against tyranny and oppression. Considered the Father of our Country, Washington was a farmer, a soldier, a politician and businessman. Washington was also a man of conviction and regrets. As he grew older, his attitude toward slavery changed, and was instrumental in the fight for liberty. In his will, his estate paid for the care of freed Mount Vernon slaves for decades after his death.

.....

Please feel free to contact our Parks and Community Services Director Nick Calubaquib should you have any questions at [nick.calubaquib@cityofwatsonville.org](mailto:nick.calubaquib@cityofwatsonville.org). or (831) 768-3240.

.....



### About Rex Watson

Rex Watson is Watsonville's own dinosaur who's job is to be a bright source of happiness to everyone he meets and protect all things green, from green space to green grass.



Watsonville Parks & Community Services  
231 Union Street • (831) 768-3240  
[www.watsonvillerec.com](http://www.watsonvillerec.com)

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This email was sent to [zradich@gmail.com](mailto:zradich@gmail.com).

[Click here to view the online version.](#)



 Please consider the environment before printing this message



Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>

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## George Washington Petition and Letters 8.16.20

1 message

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**Manny Solano** <mannyjsolano@gmail.com>

Sun, Aug 16, 2020 at 3:56 PM

To: Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>

Cc: Matt Huffaker <matt.huffaker@cityofwatsonville.org>

Hi Nick,

Attached are more signatures and letters from supporters in favor of keeping the George Washington bust. One letter in particular is from Alaga family member John P. Alaga. John lives at [261 Corralitos Rd.](#) in Watsonville if you need to reach him. Other family members are also sending letters and we have more petitions and letters to send in.

Thanks for keeping us up-to-date on this issue and to your staff who promptly responded to people who took time to send emails.

Sincerely,

**Manny Solano**

[75 Fruitland Ave.](#)

[Watsonville, CA. 95076](#)

**(831) 726-6653**

[mannyjsolano@gmail.com](mailto:mannyjsolano@gmail.com)

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### 3 attachments



**John Alaga Ltr 8.16.20.pdf**

1017K



**Petition 8.16.20.pdf**

1332K



**Batch Wash. Ltrs 8.16.20.pdf**

3561K



Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>

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## OK, my turn to weigh in on George W.....

1 message

---

**steve trujillo** <cruztbone@yahoo.com>

Wed, Aug 5, 2020 at 1:58 PM

To: Nick Calubaquib <nick.calubaquib@cityofwatsonville.org>

1. yes, he owned and bought slaves. AWFUL.
2. yes, he was a sexist and racist. AWFUL.
3. yes, he did little to treat native Americans with dignity or respect. AWFUL .

BUT:

4. he was the 1st POTUS of the USA.
5. he did lead the continental army, badly out gunned and out manned by the British.
6. he did unite the 13 colonies and manage to get a written constiution, as flawed as it is.

SO: my recommendation is to move George to in front of city hall.

remove the plaque and replace it with a more accurate review of his life, blemishes and burnishments .

and while we are at it, LET US DUMP JUAN RODRIGUEZ CABRILLO as the name of our community college. if we think GW was bad, CABRILLO WAS WORSE. i know. I wrote the Mexican American history course for the Salinas Union High school district in 1992. CABRILLO WAS : EL CABRON CHINGON DEL DIABLO.

best wishes . stay well. Steve Trujillo



Dear Mr. Solano,

This is a letter confirming my support in keeping the bust of George Washington in the park.

The argument for removing it is ridiculous. All People through history have had flaws, beliefs and actions that are not concurrent with todays morality. We honor Washington, Jefferson, Lincoln, Roosevelt, Kennedy, King, Chavez, and others not because of their flaws but because of the decisions and actions they made to create and improve this country.

Thank you,

Dave Loveless

A handwritten signature in cursive script, appearing to read "D.M. Loveless".

**Mr Alex Solano**

**Please do what you can to preserve the historic  
statuary downtown. Our history both local and  
national is vital to our futures.**

**Thank you**

A handwritten signature in black ink, appearing to read "Paul Workman", with a long horizontal flourish extending to the right.

**Paul Workman and family  
839 Lake Village Dr.  
Watsonville**

Dear Mr. Solano,

I want to give you my support in keeping the bust of George Washington in the park.

All People through history have been imperfect they are a result of their upbringing and environment. We honor Washington not because of his flaws, but because of the decisions and actions he made to create and improve this country.

Thank you,

Marie Loveless

*Marie Loveless*

---

MY NAME IS HANK WEMPE AND I  
BELIEVE IN OUR AMERICAN HISTORY AND  
DO NOT WANT IT ERASED. I DO NOT  
WANT WASHINGTON REMOVED FROM OUR  
PARK

A handwritten signature in black ink, appearing to read 'Hank Wempe', followed by a long horizontal line.

Hey my name is Eddy Estrada and I do  
not want the Washington statue removed. I believe  
it has a lot of historic value for our city.

*Eddy Estrada*

My name is VICTOR ROCHA and I would like for  
our History not to be erased. So can u please  
keep our Washinton statue in the Watsonville Plaza for  
our future generation.

A handwritten signature in black ink, appearing to read 'Victor Rocha', with a long horizontal flourish extending to the right.

DO NOT REMOVE THE WASHINGTON  
STATUE. DO NOT REMOVE MY  
HISTORY. IT'S AMERICAN HISTORY.

BEST REGARDS,

NICHOLAS J. WEMPE

8-12-20

To whom it may concern,

I am apposed for the  
Removal of the George Washington bust  
from the City of Watsonville Plaza.

Truly,  
Barbara Pratt



TO THE CITY COUNCIL

LOYD ALAGA WAS A VERY GOOD MAN WORKED HARD HIS HOLE LIFE  
AND WANTED TO DO SOMETHING FOR HIS NATIVE WATSONVILLE  
IN DONATE \$100,000.00 FOR THIS STATUE PLEASE DONOT REMOVE  
IT FROM IT PRESENT LOCATION HE IS ONE OF A VERY FEW THAT  
WILL DONATE \$100,000.00 TO THE CITY OF WATSONVILLE.

John Lubrick

The George Washing statue was  
donated to Watsonville.

It should be in it's current location.

Antoinette Lukrich

To Whom It May Concern  
C/o Watsonville City Council

August 14, 2020

all monuments dedicated to the Father  
of our country, George Washington, First  
President of the USA, should be maintained  
and left unmolested!

X William S. Little  
Tech Stone.

X Dusty Dixon  
Dixon and Son Tires

To whom it may concern;

As a member of the Alaga family

I John Alaga strongly oppose moving the Washington Bust, I do not see the purpose, it was placed where it is with the approval of the then city council and the wishes of Lloyd Alaga.

THE FACT REMAINS PRESIDENT Washington helped provide the freedom we all now enjoy, These demands are creating a needless unrest and a social divide, Plus the fact remains the final wish of president Washington was to free his slaves.

SINCERLY

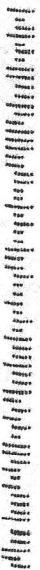
*John P. Alaga*



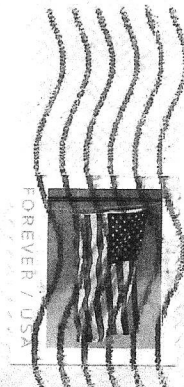
Mr. John P. Alaga  
261 Corralitos Rd.  
Watsonville, CA 95076

Mr. Alex Solano  
333 ELKHORN Rd.  
Watsonville, CA 95076

95076-561733



SAN JOSE CA 950  
07 JUL 2000 PM 3 L



8/22/20

SENT

I am in favor of keeping  
George Washington Statue in the  
city plaza. - If people can't accept  
the history - removing the statue does  
not change the facts -

Teri Kemp  
Watsonville, Calif.

The bust of  
George Washington  
should be left in  
the park. - Leave it  
there, Sue Gony

8/22/20

MY NAME IS HANK WEMPE AND I  
BELIEVE IN OUR AMERICAN HISTORY AND  
DO NOT WANT IT ERASED. I DO NOT  
WANT WASHINGTON REMOVED FROM OUR  
PARK



8-17-2020

Angela ballardo

106 Cutter Dr.

Wats. 95076

831-728-5282

Please do not remove  
George Washington Statue

Taking historical Statues  
down is ridiculous!  
History? Does it mean  
anything to you?  
We are americans!

8/22/20  
Paul Souza 831-809-3351

Born and Reised in watsonville  
This man Did more for our Country  
Then all At These People Put Together.  
We need to educate Thes I DIOT'S. If That  
wont work, our fists will! America

---

Please do not remove the statue  
of George Washington from the plaza.  
I am Tired of the "whiners" trying to  
remove/change history. If they put as much  
energy into looking at the future as they do  
criticizing the past, it would be a better place  
Marilyn Marker



8/22/20

I'M NOT IN FAVOR OF REMOVING THE WASHINGTON MONUMENT FROM  
OUR PLAZA. GEORGE WASHINGTON WAS OUR FIRST PRESIDENT OF THE  
UNITED STATES OF AMERICA. THIS IS HISTORY. YOU CANNOT ERASE  
HISTORY.

JOAN E. TAYLOR

*Joan E Taylor*

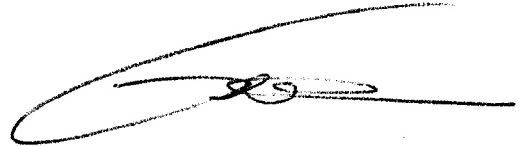
I do not want the  
Statue Removed From  
Plaza

*Kathy Treaner*

8/22/20

Please do not take the  
Statue of George Washington  
Down

290 ALIUS DR.  
WATSONVILLE CA. 95076



PLEASE DON'T TAKE  
THE STATUE OF  
GEORGE WASHINGTON DOWN  
Fannie S. S. S.

8/22/20

Please allow the statue of George Washington  
(my forefather) to remain in Watsonville Plaza.

800 PLEASANT VALLEY LN.  
APTOS CA. 95003

Tony A. Alameda

Tony A. Alameda

Please allow the statue of George Washington  
to remain in Watsonville Plaza. He was my  
forefather and should still be honored.

800 PLEASANT  
VALLEY LN.  
APTOS CA. 95003-9596

Mabel A. Alameda

8/13/20

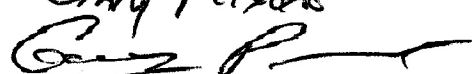
Hi Alex,

I'm writing to alert you to my desire to keep the George Washington bust in its place in the plaza.

He has always been considered the 'Father of our Country.' And this whole cancel culture movement should not be allowed to attempt to wash away our history. What George Washington did over 200 years ago is the same today as it was a year ago. Don't buckle to a few noise cymbals.

I recently read an interview where the subject put it very well; if something is on TV that you don't like, turn the channel or turn it off.... Don't force other people to follow your beliefs. If people don't want to see the bust in the plaza, walk a different route.

Again, please don't allow the current movement to try and hide our history. I'm proud to be an American, and George Washington is as American as hot dogs and apple pie. We must save the bust!

Sincerely  
Gary Peixoto  


8/22/70

Please keep George Washington in our P1227

Mark Rhodes

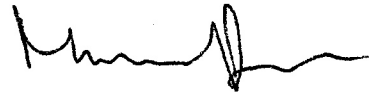
539 RODRIGUEZ STREET

8/22/20

My name is JONNA KOVACIUK. I WAS  
BORN AND RAISED IN WATSONVILLE AND I  
AM TOTALLY AGAINST THE REMOVAL OF  
THE GEORGE WASHINGTON STATUE IN OUR PLAZA.  
HE IS ONE OF OUR COUNTRY'S FOUNDING FATHERS  
AND A BIG PART OF OUR HISTORY, WHETHER YOU  
LIKE HIM OR NOT! MY CONTACT # IS  
831-227-9829

---

Hi my name is Manuel Arzuna and I would  
like for the statue to be left where it is.  
It's something that will teach people of history.



8/22/20  
Hello my name is Jose Kodriguez.  
I'm 41 years old, I'm Born and raised  
in Watsonville CA. I believe in Our  
American History and I want  
everything left alone, I want  
the statue left alone as well  
as everything else. J-P

---

NICK & STELLA BANOVAC  
14 HAZELWOOD CT.  
WATSONVILLE, CA 95076

We do not support the removal of the  
Washington statue

Nick Banovac  
8/14/2020

08/22/20

HELLO,

My NAME IS LESLIE WENPE AND I STRONGLY  
OPPOSE THE REMOVAL OF OUR PLAZAS  
GEORGE WASHINGTON STATUE.

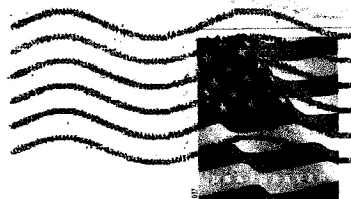
IT IS MY OPINION THAT GEORGE WASHINGTON  
WAS A GREAT VISION FOR OUR COUNTRY  
TO REMOVE THE STATUE WOULD BE A GREAT  
DISRESPECT TO HIS MEMORY AND ACCOMPLISHMENT  
PLEASE PRESERVE THE STATUE OF OUR  
FOUNDING FATHER AND OUR UNITED STATES HISTORY

*Leslie Wenpe*

NAME  
ST  
LE W  
95076

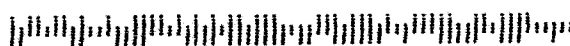
OAKLAND CA 945

15 AUG 2020 PM 6 L



Amy Solano  
333 Elkhorn Rd  
Watsonville, Ca  
95076

95076-561733





8/22/20  
ROBERT M. LEONARDICH  
940 GREEN VALLEY RD  
WATSONVILLE, CA 95076

I OPPOSE THE REMOVAL OF GEORGE  
WASHINGTON'S BUST FROM THE  
WATSONVILLE CITY PLAZA.

Bob Leonardich - AMERICAN

Do not remove the  
George Washington statue  
from the Watsonville Plaza

Ken Blanton

8/22/20

sent

I am in favor of keeping  
George Washington Statue in the  
city plaza. - If people can't accept  
the history - removing the statue does  
not change the facts -

Teri Kemp  
Watsonville, Calif.

The bust of  
George Washington  
should be left in  
the park. - Leave it  
there, Gregory

8/22/20

MY NAME IS HANK WEARE AND I  
BELIEVE IN OUR AMERICAN HISTORY AND  
DO NOT WANT IT ERASED. I DO NOT  
WANT WASHINGTON REMOVED FROM OUR  
PARK



8-17-2020

Angela Gallardo  
106 Cutter Dr.  
Wats. 95076

831-728-5282

Please do not remove  
George Washington Statue

Taking historical Statues  
down is ridiculous!  
History? Does it mean  
anything to you?  
We are Americans!

8/22/20

AS A LOCAL BUSINESS  
OWNER, AND FATHER

TO AN 8 YEAR OLD

GIRL, I FEEL STRONGLY

THAT WE MUST NOT


REMOVE THE BUST OF

GEORGE WASHINGTON.

WE CANNOT AFFORD TO

REMOVE HISTORY

SINCERELY,



WILLI ORTNER

August 15, 2020

Dear City Council,

I am writing you this letter to voice my concern for the direction of the city and specifically the statue of George Washington. If we critique every prominent figure from the past, I'm sure we could eliminate most for something from their past. In the time of George Washington most prominent leaders had slaves and that was acceptable at the time. As time evolved slavery was eliminated by our past leaders. We have no idea what Washington thought of having slaves or if he despised the thought of having slaves, but I know he was a prominent figure in forming this fantastic country and I'm proud to have him here in our plaza. We've lost so much of our past lately by people destroying statues of people they don't even know what they did to give them the freedom they have today. We need to resist the wishes of a few to erase our past even though our past leaders' actions are what keep us free. Let us not be like sheep to the slaughter to follow the short sightedness of others to erase our past. I have lived in the Pajaro Valley my whole life and feel part of improvements to this city. I am proud our diversity and who we are today and have no desire to remove any part of it because a few don't agree with. It's who we are! I implore you to leave the plaza as is.

Sincerely,



Dick Peixoto

470 Hidden Valley Road  
Royal Oaks, CA 95076

To whom it may concern:

I'm writing in support of keeping the bust of George Washington where it is at Watsonville City Plaza.

As we all become more aware of the need to re-examine statutes in public places, and whether the people they represent should truly be celebrated, there is no doubt that some statues should be removed. However, I believe that it's important to do this on a case-by-case basis and that there should be discussion and thought put into what is removed and what remains.

There is little doubt that statues of Confederate generals should be removed from public view, given that they fought for slave-holding interests. There is also good reason for mission figures to be taken down when we consider California missions' role in subjugating indigenous peoples and helping lead to the demise of once-populous tribes.

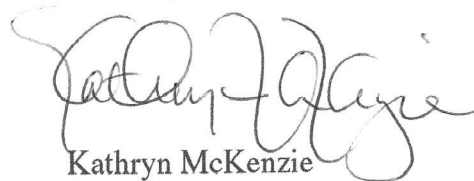
However, when it comes to George Washington, I would argue that there is value in retaining this piece of public art. He is the father of our United States, our first president and the man who held the American Revolution together as it threatened to fall apart. In addition, although he was a slaveholder during his lifetime, he freed his slaves upon his wife's death.

The message of Washington's life was that of self-sacrifice in the name of something larger than himself, and obviously he was willing to do what it took to right wrongs. That's a message that still resonates today.

I understand that some local groups are unhappy that indigenous people are not represented at the City Plaza. I think the city should invite them to erect their own statue, bust, plaque or other marker to commemorate the role of native Californians in our history. That way, they are able to honor this area's indigenous roots and to put that history on public view for all to see.

There's plenty of room for both Washington and a statue honoring indigenous people at City Plaza.

Sincerely,



Kathryn McKenzie

August 29, 2020

City of Watsonville

To Whom It May Concern:

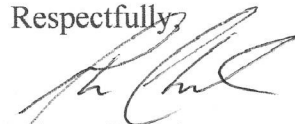
I am writing to express my support for leaving the George Washington statue at City Plaza. I believe that its removal would be damaging to our present day understanding of history. Washington represents the founding of this country, and the founding of a new way that government should operate. It represents freedom of expression, democratic traditions and that all men and women have the right to self rule.

That Washington was an imperfect person bears no reflection on what he represents. All people are imperfect. Generations to come will invariably look back on us as barbaric in some manner. Will it be because we tolerate poverty, slaughter animals for food, pollute the environment, recklessly enable climate change or execute criminals? Or it maybe something entirely less controversial. Does that mean the future should look at us as uncouth and selfish? I hope not, just as I hope we do not look back at the past, at people who did heroic deeds, such as Washington, Abraham Lincoln, Martin Luther King or Cesar Chavez, but all who had personal failings and political missteps of different degrees. The totality of the person is what is important.

The discussion at hand, to leave or remove the Washington statue, involves the very rights that Washington fought to secure in the Revolutionary War and later defend as President of the United States. There is nothing wrong with this discussion. This is how a free people operate. It is the ultimate decision that matters. To make a rash decision based on a sudden expression of a few well-meaning but misguided individuals of a narrow viewpoint does not bode well for the future of our democracy and careful thought of future policies.

Finally, it would be an extraordinary example of hypocrisy for the city of Watsonville to remove the statue of Washington but keep the name Watsonville. Watsonville is named after Judge John Watson who came from Georgia to California during the gold rush. He came with a slave. How can anyone rationally support removing a bust of Washington because he was a slaveholder and still embrace the Watson of Watsonville for the same failings? Watsonville did not take Watson's name because he was a slaveholder. It did so because he laid the foundation for a new community. Washington did the same when he laid the groundwork for a new nation.

Respectfully,



Glenn Church

470 Hidden Valley Rd.  
Royal Oaks, CA 95076

August 28<sup>th</sup>, 2020  
City of Watsonville

To whom it may concern,

In light of recent tidings, voices promoting the removal of a statue in George Washington's likeness have been heard. This message is to offer thought contradicting the aforementioned motion; that the removal of such a statue from the city plaza would result in the lessened merit of the area of interest.

In hindsight, mistakes formerly gone unnoticed become discovered. To be human is to be no stranger to this. As a people, we are works in progress, we live and we experience. We learn and forget. Thus, this is the courtesy of change. What we once knew, we then realize *only to have thought* to have known. What was once lost to us, then became found by us. As the ages pass and trees grow taller, our sense of wisdom becomes not akin to how it had been. We begin to see the world through different eyes.

Naturally, this is how we have come to be at odds with our pasts. It is hindsight that has made us know what was wrong. What those from before used to believe 'great' soon was believed 'okay' and that which was then 'okay' thereafter was branded 'evil.'

The reasons to remove the statue follow this nature. Despite the wide breadth of activity as part of George Washington's life, specific details that had escaped public conscientiousness are now loathed today and mar his name. It is true he was a slave owner. It is true that many of the values he held dear are open to ethical debate. But it would seem to me, these grounds should only be taken as fact and context, not something to weaponize against him. It would seem folly to do so, much as it would be folly to chastise someone in the middle of reading a novel for not knowing the plot, especially by us whereupon we have already finished the story. If these ills are of blindness and the remedy is time, then it is undoubtedly only a matter of time until our children's children denounce the things we have done and considered mundane. We will be Samaritans when in life, but criminals when in our graves.

In spite of any conclusions regarding retrospect of morals, we all are heirs to the same family, whether the actions of those before were good or bad, they have made us all the same, and much how we come to find stains of corruption in our heroes, we likewise continue to find new gems of wisdom. Everyone from our past, much how we will be, are held accountable for trespasses. Though are we then to react by wholly ignoring them? No. We are what we are today because of them and we must become acquainted with them much to our benefit. There is always something of worth in them to take heed no matter the changes in society.

It is on this premise, that there is worth in the statue retaining its place. The statue commemorates his political achievements by replacing a government structure with a more inclusive one. It is true that this 'inclusion' in comparison to what we have today is lacking and flawed, but this was the first step and that is worth remembering. If the nation is a relay race, although the first person to hold the baton did not cross the finish line, they still played just as much as a role in claiming the gold as the one who did.



Kristopher Church,  
377 Hidden Valley Rd.  
Watsonville, CA 95076



DATE:

PETITION TO SAVE THE WASHINGTON STATUE

We, the undersigned citizens of Watsonville and the Pajaro Valley call upon the Watsonville Parks and Recreation Commission and City Council to not remove nor relocate the George Washington monument from the City Plaza.

|    | NAME          | EMAIL (PRINT)                  | STREET ADDRESS                   | ZIP CODE |
|----|---------------|--------------------------------|----------------------------------|----------|
| 1  | Margie Kay    | margie17k@aol.com              | PO Box 12371 Watsonville         | 95077    |
| 2  | Robert Willse | atp0088@gmail.com              | 21 Airport Rd. Freedom           | 95019    |
| 3  | Glenn Church  | glchurch@gmail.com             | 470 Hidden Valley Rd Watsonville | 95076    |
| 4  | Pamela Mello  | mellodywillse@aol.com          | 1051 San Miguel                  | 95076    |
| 5  | FRANK Mello   |                                | 1051 San Miguel                  | 95076    |
| 6  | Betha Mello   |                                | 1051 San Miguel                  | 95076    |
| 7  | BEN AKIYAMA   | Benjamin-Akiyama@provident.net | 471 E. Airport                   | 95076    |
| 8  |               |                                |                                  |          |
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**DATE:**

PETITION TO SAVE THE WASHINGTON STATUE

We, the undersigned citizens of Watsonville and the Pajaro Valley call upon the Watsonville Parks and Recreation Commission and City Council to not remove nor relocate the George Washington monument from the City Plaza.

| NAME                | EMAIL (PRINT)              | STREET ADDRESS                    | ZIP CODE |
|---------------------|----------------------------|-----------------------------------|----------|
| 1 Kristopher Church | kristopher.louis@gmail.com | 377 Hidden Valley Rd, Watsonville | 95076    |
| 2 Kathryn McKenzie  | kathryn.e.sbcglobal.net    | 470 Hidden Valley Rd.             | 95076    |
| 3 Gabriela Church   | poissongg@gmail.com        | 377 Hidden Valley Rd. Royal Oaks  | 95076    |
| 4                   |                            |                                   |          |
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Dear City of Watsonville

Have you lost your minds. Stand up for  
this great County!

Peter Jensen  
34 Hazelwood Ct.  
Watsonville CA 95076

WE NEED TO  
PRESERVE OUR  
FINE FASHIONS AND  
NO CHANGES TO OUR  
PRESENT SITUATIONS.  
COLLECTION FOR  
VCE VAN VESSEN.

I, Roy Jensen believe that  
the Peoguo Washington statue  
should not be removed from  
the Wabowille Plaza

Jensen

to whom it may concern:  
I strongly oppose the removal of the Geo. Washington bust from the Watsonville Park & Plaza. I was born & raised in Watsonville and want to keep its history alive. Mr. Lloyd Alaga, long-time resident, generous & respected, donated the bust to our city, along with a generous contribution to repair the water fountain in the park, also.  
With due respect to his memory (and in appreciation) along with my love & respect for ~~our~~ the historical representations of the city of Watsonville, it would be shameful to remove the bust and remove Lloyd Alaga's memory.  
Sincerely, Judy Carey Eiskamp

Dear City of Watsonville

I feel that it is a shame to take down a  
Reminder of how our Great County got started

Peter Jensen  
34 Hazelwood Ct.  
Watsonville CA 95076

Alex, I oppose the removal of  
the Washington statue at  
the town square. History  
can be/is fraught with problems and  
at best is a useful teaching tool  
warts and all  
Sincerely,  
Lizbeth Agnew

I am against the removal of  
the George Washington statue in  
the downtown plaza, Watsonville.

Mark DeBolske  
149 Grove St.  
Watsonville, CA 95076

Watsonville, CA

Dept of Parks + Recreation

We would like the statue of George Washington to be left on the Plaza. He is one of the ore important flounders of our country. No man is perfect. He had his good points and bad, but the good greatly outweighs the bad. It is easy to judge a person form 250 years ago by 21<sup>st</sup> century values. He was a man of his time. If we only erected statues of those who were perfect, we would only have statues of Jesus Christ. "Let he who is without sin cast the first stone".

Michael Homer

Michael D Homer

C.L. Homer

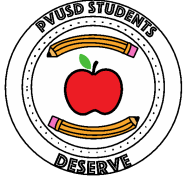
Big Moore

2 Moore

E. Mira Homer

Mike Homer  
70 Pleasant Heights Dr.  
Aptos, CA 95003





*Press Release  
For immediate release  
02 November, 2020*

## **Removal of the George Washington Bust**

Dear community members,

We'd like to write this letter in support of the efforts led by the collective @Revolunas to eliminate the George Washington bust. As you all might be aware, PVUSD Students Deserve has always advocated for the well-being of our PVUSD students. Most notably, we stand in solidarity with historically marginalized student populations. This includes but is not limited to our Black and Indigenous students within our community.

The George Washington bust is located in the Downtown Watsonville Plaza. The plaza is meant to be a place in which the residents of Watsonville can walk through and enjoy the city's community space. As it stands now, the Watsonville Plaza is home to the bust of George Washington. **George Washington was a white-slave owning man who also contributed to the genocide of Indigenous peoples.** How then- are Watsonville's Black and/or Indigenous people allowed to enjoy this space when the mere presence and legacy of a slave owner and murder looms over them?

We urge Watsonville Parks and Rec to understand that there is absolutely **NO EXCUSE** to try to keep a bust of an individual that represents physical and physiological warfare against Black and Indigenous Peoples.

The rhetoric that individuals in City Council and the Watsonville Parks and Rec Commission have taken, has been that of apologists. They insist that we, as a community, must come to a "compromise" that allows us to continue to celebrate and uphold an individual who killed and enslaved Black and/or Indigenous individuals.

To members of Watsonville City council and the Watsonville Parks and Rec Commission: please consider how the actions you take tonight will impact the physiological wellbeing of our Black and/or Indigenous community members. Their physiological and physical livelihood is not one that should be "compromised."

When voting on the fate of the bust of our racist founding father Mr. George Washington; ask yourselves, are you in the early 1900s or are you in 2020? Are you fine with going down in Watsonville's history as being an apologist for genocide and enslavement?

If you consider yourself an ally to Indigenous peoples and Black people, we expect you to vote for the full removal of the George Washington bust.

In solidarity always,  
PVUSD Students Deserve





Desiree Moya <desiree.moya@cityofwatsonville.org>

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## {PCS} Washington Bust

1 message

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**linda orosco** <linda\_orosco@hotmail.com>  
To: City of Watsonville <pcs@cityofwatsonville.org>

Mon, Nov 2, 2020 at 3:00 PM

Esteemed members,

I am writing in support of removing the George Washington Bust located at the Watsonville Plaza.

The time to make this change is now. This figure does not represent the values and consciousness of the Watsonville community. It is time to take down colonial structures that are rooted in the colonization and genocide of Indigenous People, the Slavery of African People and the White Power structure that is upheld through the false history of this figure.

Take a stand! White Supremacy runs rampant and this figure remains a symbol to them of thier dominance over people of color and thier need to cosplay Master.

It is time to be ANTI-RACIST! That is the only way to move forward in this time.

Be on the side of truth and human evolution!

Take it down. Don't feed the racists!

Thank you,

Linda Orosco  
Watsonville Resident



Desiree Moya <desiree.moya@cityofwatsonville.org>

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## {PCS} Washington Bust

1 message

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**linda orosco** <linda\_orosco@hotmail.com>  
To: City of Watsonville <pcs@cityofwatsonville.org>

Mon, Nov 2, 2020 at 3:00 PM

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Take a stand! White Supremacy runs rampant and this figure remains a symbol to them of thier dominance over people of color and thier need to cosplay Master.

It is time to be ANTI-RACIST! That is the only way to move forward in this time.

Be on the side of truth and human evolution!

Take it down. Don't feed the racists!

Thank you,

Linda Orosco  
Watsonville Resident



Desiree Moya <desiree.moya@cityofwatsonville.org>

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## {PCS} Removal of Washington Bust

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**DSA Santa Cruz Executive Committee** <info@dsasantacruz.org>

Mon, Nov 2, 2020 at 5:02 PM

To: pcs@cityofwatsonville.org

Dear Watsonville Parks and Recreation Commission,

We, The Democratic Socialists of America, Santa Cruz, are writing to urge you to listen to the voices in the community that are calling for the long overdue removal of the bust of George Washington in Watsonville Plaza.

This is a moment when communities all across the country are coming to terms with our nation's long history of racism, oppression and genocide. One form that this very important reckoning is taking is the reassessment of the sorts of history and the historical figures that we celebrate and memorialize. Taking down a monument or a statue doesn't mean we are forgetting our history. On the contrary, the act of removing a monument like the bust of Washington represents a much fuller understanding of that history and a recognition that figures who have traditionally been portrayed as the heroes in our history books, are not perceived that way by many of our fellow community members whose ancestors were victims of our nation's bloody history.

As we work towards an anti-racist future, we see no room to continue to venerate in our public squares someone who owned other human beings and waged genocidal wars against native peoples. "Contextualizing" the statue with a bilingual plaque, as staff recommends, is not a compromise but an insult in that while it gives official recognition to Washington's slave-owning past it sends the clear message to the community that this isn't a 'dealbreaker' for the city.

DSA-Santa Cruz represents over three hundred members throughout the county, including many in Watsonville. We stand in unwavering solidarity with all in the community calling on you to do the right thing and remove the statue.

- DSA Santa Cruz Executive Committee



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## {PCS} Re: GW Bust

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**pvusdstudents deserve** <pvusdstudentsdeserve@gmail.com>

Mon, Nov 2, 2020 at 3:31 PM

To: "pcs@cityofwatsonville.org" <pcs@cityofwatsonville.org>, "felipe.hernandez@cityofwatsonville.org" <felipe.hernandez@cityofwatsonville.org>, "Aurelio.gonzalez@cityofwatsonville.org" <Aurelio.gonzalez@cityofwatsonville.org>, "Lowell.hurst@cityofwatsonville.org" <Lowell.hurst@cityofwatsonville.org>, "Francisco.estrada@cityofwatsonville.org" <Francisco.estrada@cityofwatsonville.org>, "Rebecca.garcia@cityofwatsonville.org" <Rebecca.garcia@cityofwatsonville.org>, "Trina.coffman@cityofwatsonville.org" <Trina.coffman@cityofwatsonville.org>, "Ari.parker@cityofwatsonville.org" <Ari.parker@cityofwatsonville.org>

Also, please read this statement at tonight's meeting.

Thank you

On Monday, November 2, 2020, pvusdstudents deserve <pvusdstudentsdeserve@gmail.com> wrote:

Good evening all,

On behalf of PVUSD Students Deserve, we are sharing with y'all our most recent public statement. Please make sure to read it thoroughly before making your decision tonight on its FULL removal.

Best,  
PVUSD Students Deserve



Desiree Moya <desiree.moya@cityofwatsonville.org>

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## {PCS} Public comment on removal of Washington Bust 11/2

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**Samantha Bleisch** <sam.bleisch1@gmail.com>

Mon, Nov 2, 2020 at 3:04 PM

To: pcs@cityofwatsonville.org, nick.calubaquib@cityofwatsonville.org

To whom it may concern,

Hello. My name is Sam Bleisch and I am a resident of Royal Oaks and a community member of Watsonville.

I am writing to express my concern for the racist, bigoted, and classist behavior this community witnessed when we called for the removal of the Washington bust during one of the biggest civil rights and antiracist movements in the history of the United States.

Keeping the bust of George Washington enforces the idea that colonialism, genocide, and racism persists still in Watsonville. We all know our residents do not appreciate the the board's desire to honor the legacy of one of the most racist president's in this country's history—a president whose literal teeth he stole from slaves. George Washington does not represent Watsonville or it's community.

We can do better than this. I urge you to strongly consider the statue's removal. Help our community trust each other and vote against an outdated piece of history that honors white supremacy. Remove the George Washington bust from our beautiful community hub and make downtown Watsonville a place where all people feel safe—especially it's hard working Chicanx, Latinx, indigenous, undocumented, and Mexican residents. Thank you for your time.



Desiree Moya <desiree.moya@cityofwatsonville.org>

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## {PCS} Public Comment For Todays (11/2) Meeting

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**Alejandra Ponce** <ponce.ale24@gmail.com>  
To: pcs@cityofwatsonville.org

Mon, Nov 2, 2020 at 3:14 PM

Here is what I'd like to read during the meeting, thank you.

Dear Parks and Rec Members and community members listening:

PLEASE REMOVE THIS BUST. This piece of rock (which SPECIFICALLY, the Amah Matsun in Watsonville community did not even get to input why/where it should go) is a daily VIOLENT reminder of the STOLEN LAND and DISENFRANCHISEMENT and DISPLACEMENT that settlers and capitalists continue to influence in our community. I give ZERO FUCKS about the work Washington did to establish white supremacy as law and strongly encourage the white supremacist listening to go read "America's Deadliest Export: Democracy" by William Blum, perhaps that will open your eyes to the hate flowing through your veins. If the council votes anything OTHER THAN removing the bust, they are compliant in white supremacy, genocide, and contribute to the ongoing violence that colonization brings. Honor the Amah Matsuna and Ohlone survivors and descendants of genocide to reclaim their land and take that stone and incinerate it. REMOVE THE FUCKING BUST.

Thank you,

Alejandra ponce



Desiree Moya <desiree.moya@cityofwatsonville.org>

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## {PCS} Parks and Recreation Meeting- George Washington Bust

1 message

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**Anissa Balderas** <anissabalderas@gmail.com>  
To: pcs@cityofwatsonville.org

Mon, Nov 2, 2020 at 2:35 PM

Dear Parks and Rec Team,

My name is Anissa Balderas and I was born and raised in Watsonville. I am urging you all to remove the George Washington bust that is in the Plaza along with the canons. When I step foot in the plaza, I admire the space it provides for community gathering. For example, I really loved the Dia de los Muertos art that was showcased and would encourage further spaces for art in the community. That was a representation that the community of Watsonville was able to relate to. However, I in no way feel represented by the Bust. In fact, I feel anger and frustration when viewing it because it is a snapshot of a problematic past. Instead, I would hope to showcase art from someone in the community. I would love to highlight bright leaders of our past that contributed positively to Watsonville. Keeping the bust disregards the wants and needs of the folks who live here. Thank you for your time and consideration.

Best,  
Anissa Balderas



Desiree Moya <desiree.moya@cityofwatsonville.org>

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## {PCS} GW Bust

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**pvusdstudents deserve** <pvusdstudentsdeserve@gmail.com>

Mon, Nov 2, 2020 at 3:10 PM

To: pcs@cityofwatsonville.org, felipe.hernandez@cityofwatsonville.org, Aurelio.gonzalez@cityofwatsonville.org, Lowell.hurst@cityofwatsonville.org, Francisco.estrada@cityofwatsonville.org, Rebecca.garcia@cityofwatsonville.org, Trina.coffman@cityofwatsonville.org, Ari.parker@cityofwatsonville.org

Good evening all,

On behalf of PVUSD Students Deserve, we are sharing with y'all our most recent public statement. Please make sure to read it thoroughly before making your decision tonight on its FULL removal.

Best,  
PVUSD Students Deserve



**GW Bust.pdf**

88K





Desiree Moya <desiree.moya@cityofwatsonville.org>

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## {PCS} George Washington Bust

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**Brianna Valle-Gallegos** <briannavalle.g@gmail.com>  
To: pcs@cityofwatsonville.org

Mon, Nov 2, 2020 at 4:10 PM

Parks and Rec,

In the first meeting someone mentioned that if we didn't want the Washington bust to stay or were opposed of the idea of it, then how come we didn't speak up when the council approved the gift back in 1999. I'd like to remind everyone that most of us speaking today for the removal were either not born during that date or too young. The bust became a much bigger issue within the city and its residents the moment counter protestors began treating it as a reason to be demeaning towards those who want to remove it. Members against the removal of the bust have let offensive actions go unchecked. Examples of this is people using phrases such as "white power" and "if you don't like it then leave", or even calling the work places of those in favor of removing the bust. This is a clear sign that the bust must be removed. It's been clear that the bust is a symbol of white supremacy but now it became a symbol of power for those wanting to keep it. Keeping the bust shows them that they can act or say whatever they want without any consequences.

Sincerely,  
Brianna Valle

Sent from my iPhone



Desiree Moya <desiree.moya@cityofwatsonville.org>

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## {PCS} George Washington Bust - Watsonville

1 message

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**Tatiana Chavitage** <tatithgreat@gmail.com>  
To: pcs@cityofwatsonville.org

Mon, Nov 2, 2020 at 1:36 PM

To whom it may concern,

My name is Tati Chavitage and I'm a longtime resident of Santa Cruz County and undergraduate student at UCSC. I'm emailing you to implore you to remove the George Washington bust in the City Plaza. The primary reason to remove this bust is that it has recently inflamed white supremacists in the city, including Manny and Alex Solano, the former who told one of the protestors of the bust to "go back to Mexico". Any symbol that supports white supremacists in this moment is a symbol that should be abolished and replaced with something constructive, something that makes Watsonville residents (who are primarily Latinx) feel at home rather than attacked. A symbol of colonization, like this one, is a symbol of hatred.

Thank you for your time.

Best,  
Tati Chavitage

RESOLUTION NO. \_\_\_\_\_ (CM)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE AUTHORIZING AND DIRECTING CITY STAFF TO MOVE THE GEORGE WASHINGTON BUST INSIDE THE WATSONVILLE PUBLIC LIBRARY AT 275 MAIN STREET, AND ADD A BILINGUAL PLAQUE ON THE PODIUM OF THE BUST THAT OUTLINES A BROAD HISTORICAL PERSPECTIVE ABOUT GEORGE WASHINGTON

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:

That the Council hereby authorizes and directs City staff to move the George Washington bust inside the Watsonville Public Library at 275 Main Street, and add a bilingual plaque on the podium of the bust that outlines a broad historical perspective about George Washington.

\*\*\*\*\*



City Clerk &lt;cityclerk@cityofwatsonville.org&gt;

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**GW Feedback**

1 message

**Thomas Sullivan** <trsullivan77@gmail.com>

Wed, Feb 10, 2021 at 10:56 AM

To: francisco.estrada@cityofwatsonville.org, cityclerk@cityofwatsonville.org

Councilman Estrada,

I have never written to you before so I will start off thanking you for the service you are providing to your district and the community as a whole. With that said, I am not sure your vote to move the GW statue was a reflection of your district. I, along with many in my diverse neighborhood were in support of the statue staying where it was. I believe that was reflected as well in the survey that was circulated. During this divisive time, transparency is needed so much more. My neighbors include retirees, 2 instructors from Cabrillo, an Assistant DA, a Probation Officer, 2 school teachers (public/private), childcare workers, a custodian, a nurse and even a farm owner. We have discussed this issue at length. Although compromises are expected did you personally reach out to your constituents about your vote? If so, how? None of us have heard from you directly since you were campaigning a few years ago. Why do a few loud voices always get the FULL attention of our City Council. The community was asked to complete a survey. Many did. Why wasn't this taken into consideration by the Parks and Rec Commission nor the City Council at least that was not clear. Were there signatures that the opposition submitted reflecting their stance? If not, what was the point of the survey? In the future, it is strictly my opinion, but when hot button topics like this arise on the agenda, could you find a way to reach out to your constituents to solicit their voice so that your vote can be a true, transparent reflection of your district. Thank you so much for your time. My family and I will continue to support you!



City Council &lt;citycouncil@cityofwatsonville.org&gt;

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**READ at MTG: George Washington Bust Item on Agenda 2-9-21 READ**

1 message

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**linda orosco** <linda\_orosco@hotmail.com>

Tue, Feb 9, 2021 at 7:53 PM

To: "citycouncil@cityofwatsonville.org" &lt;citycouncil@cityofwatsonville.org&gt;, "cityclerk@cityofwatsonville.org" &lt;cityclerk@cityofwatsonville.org&gt;

Good Evening, City Council Members.

Please read this comment during the meeting on 02/09/21.

I am writing in support of the removal of the George Washington statue from the Watsonville Plaza.

This proposal of removal was also supported and put forward as a recommendation from the City Parks and Recs Commission.

This Council is NOT considering this recommendation from its own Commission or the citizens who brought up the issues in the first place. (People of Color in response to the growing WHITE SUPREMIST TERRORISM that is sweeping our county in full view and force!)

THIS COUNCIL, is proposing a plaque be added to explain the COLONIAL and WHITE SUPREMIST history of this President, in the same week it is proposing a Black Lives Matter Flag be placed in the Plaza every February.

THIS COUNCIL seems to only want to placate to the WHITE SUPREMIST by keeping the bust (with its RACIST/GENOCIDAL White Washed history), at the same time appease the BLM supporters with YOUR half- hearted, hypocritical façade of caring about the People of Color in our Community. The same people that have been asking for the removal of this Bust for almost a year!

DO YOU SEE THE HYPOCRACY?!?!?! The COGNITIVE DISSONANCE?!?!?! I Do!!!!

This Figure does not represent the Community or Watsonville.

This FIGURE represents the erasure and GENOCIDE of the Indigenous People of the Land from time immemorial.

This FIGURE represents the BRUTAL and EVIL SLAVERY that was committed against Black People.

This FIGURE represents White Supremacy and White Christian Terrorism that is directly running amuck in our Nation and in our Nation's Highest Government, as well as in Watsonville. Nazis!

We just saw these same people try to overthrow our GOVERNMENT and abolish a free and fair democratic election.

Keeping this bust, but adding "HISTORY" is a sham! Whose History will be written on the plaque?

The Community has spoken that this BUST needs to be removed from the plaza. It does not represent the future of the Nation or of Watsonville. It definitely does not represent progress for Black Lives Matter.

Take a STAND and DENOUNCE WHITE SUPREMACY!!!

REMOVE THE BUST!!

Respect,

Linda Orosco

[linda\\_orosco@hotmail.com](mailto:linda_orosco@hotmail.com)

144 Zils Rd.

Watsonville, CA 95076



City Council &lt;citycouncil@cityofwatsonville.org&gt;

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## Removal of George Washington bust

1 message

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**Emily Halbig** <corporateswine@gmail.com>  
To: citycouncil@cityofwatsonville.org

Tue, Feb 9, 2021 at 5:48 PM

Good evening City Council members,

I am a Language Arts and Social Studies teacher at Cesar Chavez Middle School. This month I have been leading my students through a series of history lessons in honor of Black History Month. Each day we build on the prior's day knowledge with the idea that we will cover slavery through the civil war, reconstruction, the civil rights movement, and finishing off with a celebration of a few of the many Black Americans who have contributed in a positive way to our national culture.

George Washington was a slave owner who promoted genocide of the Native Americans and honoring him through a bust in our city's plaza is contrary to one of the most important ideas I promote in my classroom - that of equality and justice for all students.

Please do the right thing and remove the bust.

Thank you,  
Emily Halbig



City Council &lt;citycouncil@cityofwatsonville.org&gt;

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**Read out Loud: Public Comment, Item 6A & Item 11A City Council Meeting**

1 message

**Sam Bleisch** <sbleisch@ucsc.edu>

Tue, Feb 9, 2021 at 5:02 PM

To: citycouncil@cityofwatsonville.org, cityclerk@cityofwatsonville.org

To whom it may concern,

Hello, my name is Sam Bleisch, and I am a community member of Watsonville writing to encourage the council to strongly consider moving forward the Pajaro Valley Arts building across from the library.

As councilmembers, you understand the importance of positive community involvement that will foster trust and collaboration in our community. On top of youth involvement, the possibilities for senior involvement will allow community members to come together to enjoy our arts and culture. This is what community is made of--building jobs that help preserve and reimagine aspects of our unique cultures and skills--not opening new restaurants that are overpriced and do not serve the interests of the actual community, but rather gentrifying business owners.

Please invest in youth and build the Pajaro Valley Arts building.

Additionally, I would like to remind the council about the ironies of allowing the George Washington Bust to remain in our community plaza while flying the Black Lives Matter flag. This does not make ANY sense considering that George Washington was a proud slave owner and genocidal American president. Strongly consider the image this paints as it represents two conflicting American histories--a monument for a slave owner while honoring Black lives is not only ahistorical, but insulting.

This council should know that a part of the community building process is listening to the actual voices of Watsonville that are telling stories of historical trauma related to slavery and racism. Please hear us and understand the importance of honoring Black lives in ways that are genuine and NOT performative. Respectfully, the ONLY way to do so is to remove the bust.

Thanks for your time.

Sam Bleisch  
she/her//they/them





City Council &lt;citycouncil@cityofwatsonville.org&gt;

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## Letter in Support of the Relocation of the George Washington Bust

1 message

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**Jenny Sarmiento** <jtsarmiento831@gmail.com>

Tue, Feb 9, 2021 at 3:39 PM

To: "citycouncil@cityofwatsonville.org <citycouncil@cityofwatsonville.org>" <citycouncil@cityofwatsonville.org>, cityclerk@cityofwatsonville.org, Francisco Estrada <francisco.estrada@cityofwatsonville.org>

Dear Mayor and City Council Members,

We, Pajaro Valley Cesar Chavez Democratic Club, respectfully submit a letter in Support of the Relocation of the George Washington Bust.

Thank you for your consideration,

Jenny T. Sarmiento, Co-Chair

**WCity.GW.Relocation.docx.pdf**

136K



## Pajaro Valley Cesar Chavez Democratic Club

*The PVCCDC is an official Democratic Club that works to promote the goals and objectives of the Democratic Party and to increase the participation of Latinos in the party by endorsing candidates, registering new voters, and by providing political education in our region. The PVCCDC has been dedicated to empowering our community and making positive changes for our families since 2004.*

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February 9, 2021

Mayor and City Council Members  
City of Watsonville

Re: Support for the Relocation of the George Washington Bust

Dear Watsonville Mayor and Councilmembers:

As local community members, public officials and members of the Pajaro Valley Cesar Chavez Democratic Club, we understand the difficult choices that local policy makers must make when controversial issues are brought to your attention and decision. We wish to express our support for the relocation of the George Washington Bust to a more appropriate place such as the Watsonville Library.

Most of us have been taught an arid, fragmentary, and misleading account of American history. We hope that by relocating the bust to the library, we'll have an opportunity to offer a more vivid and content-rich account of our unfolding history. A history that has been dominated by racism and oppression of people of color, yet resilient enough to correct its trajectory. Now more than ever, young people are more aware and outspoken of the injustices and atrocities against people of color by our founding fathers and people in power. We cannot change history but we can build a better community that acknowledges, respects and supports the struggles of underrepresented community members.

The Watsonville Plaza is the heart of our community where thousands of people come to celebrate the Strawberry Festival, Cinco de Mayo, Fiestas Patrias, Independence Day, the Pride Festival, International Women's Day, Black Lives Matter, and so many other events that celebrate the diversity and richness of our community. Keeping the bust at the entrance of the plaza is not welcoming to the very people who visit our plaza.

This moment requires that you make a bold decision. We urge you to relocate the George Washington Bust to the Library.

Respectfully,

PVCCDC Executive Board

Jenny T. Sarmiento, Co-Chair

Ray Cancino, Vice Chair

Tony Tapiz, Treasurer

Felipe Hernandez, Co-Chair

Rachel Williams, Secretary

PVCCDC General Membership



City Council &lt;citycouncil@cityofwatsonville.org&gt;

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**City Council Meeting today, February 9, 2021: Public Comment**

1 message

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**Sondra Geyer** <sondrageyer@gmail.com>  
To: citycouncil@cityofwatsonville.org

Tue, Feb 9, 2021 at 11:40 AM

Regarding Agenda Item 11.a. Washington Bust

Tonight the council will be considering a resolution authorizing and directing city staff to keep the George Washington bust in its current location in the City Plaza and add a bilingual plaque on the podium of the bust that outlines a broad historical perspective about George Washington. I am strongly in support of this resolution.

I do not believe in trying to erase history, as those who ignore it are destined to repeat it. We need to learn from history – good and bad. I would rather see us embrace our history and add to it. There is nothing I would like more than to see statues/busts on every corner of the Plaza, commemorating people and events that have shaped us.

Cordially,

Sondra Geyer

[628 Peartree Dr, Watsonville, CA 95076](#)



City Council &lt;citycouncil@cityofwatsonville.org&gt;

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**Community member comments on the George Washington bust in the plaza**

1 message

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**Jen SH** <95076mom@gmail.com>

Tue, Feb 9, 2021 at 11:02 AM

To: cityclerk@cityofwatsonville.org, citycouncil@cityofwatsonville.org

Cc: eduardo.montesino@cityofwatsonville.org, aurelio.gonzalez@cityofwatsonville.org, lowell.hurst@cityofwatsonville.org, francisco.estrada@cityofwatsonville.org, rebecca.garcia@cityofwatsonville.org, jimmy.dutra@cityofwatsonville.org, ari.parker@cityofwatsonville.org

Dear Watsonville City Council Members,

Thank you for considering the public's input on what course of action to take regarding the George Washington bust in the city plaza.

There are two important issues to consider here. One is the subject of the bust: George Washington is a controversial figure whom some revere as one of our country's founding fathers and some see as a slave owner who perpetrated and perpetuated the abuse and oppression of people of color. The second issue is the history of this particular statue: it was commissioned and installed in the plaza only 20 years ago at the whim of one wealthy older white man, and as a piece of contemporary art has no historical significance. I have read many arguments from community members saying that we should leave the bust where it is because it's part of our history. What historical value does a 20 year old statue have? Why should one person get to dictate what public art is displayed in our community plaza just because he had the privilege and wealth to be able to donate \$100,000? Perhaps 22 years ago, when it was approved in 1999, this statue was considered uncontroversial by the city officials who chose to accept the donation and have the statue commissioned, produced and installed, but now as a society we are more informed and can make a better choice. George Washington was not a hero to everyone, and seeing his statue in the plaza is offensive to people in our community who are working toward racial justice and social equity. To quote poet Maya Angelou: "Do the best you can until you know better. Then when you know better, do better." I urge you all as our city's representatives to do better and make the ethical choice to remove this statue from the plaza because it does not represent our community.

Thank you,  
Jen Salinas-Holz  
District 7 Resident



City Council &lt;citycouncil@cityofwatsonville.org&gt;

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## Washington Bust Statue Should Remain with New Plaque

1 message

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**Angel Hess** <angelhess@santacruzlegal.net>  
To: citycouncil@cityofwatsonville.org

Tue, Feb 9, 2021 at 9:03 AM

The George Washington bust should remain. He remains the founder of our nation. However, to clarify history for the dispossessed, a plaque could be set in front of the bust saying "As the founding father of the United States, George Washington is (whatever positive thing you want to address since there are many historical deeds that fit in here). George Washington was also a white man also owned black slaves even after a law was past that allowed slave owners to free them. Even though ownership of a human being is a known atrocity today that society shuns, at the time Washington lived, many white slave owners did not free their slaves under the new law. The fact is, a lot of white slave owners thought their slaves would suffer more if freed because people at the time did not see black and brown people as equals to heir white counterparts." And that is the reality.

We are talking a out a time before black, brown and asian peoples were able to educate white people. White people thought, really believed, that because the skin color was different, the other humans must be a different species. It was racism engrained in ignorance. Rewriting history and fighting racism with education is the answer. Not eliminating it.

Every hero has his/her flaws. Even Jesus lost his temper in the bible. Wiping out all memory of good to balance out a negative trait will destroy our ability as a society to admire people who are worthy of admiration but failed in other aspects of their being.

Sincerely,

Angel L Hess

Sent from my iPad



City Council &lt;citycouncil@cityofwatsonville.org&gt;

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**JUST SO YOU KNOW.....**

1 message

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**steve trujillo** <cruztbone@yahoo.com>

Tue, Feb 9, 2021 at 8:53 AM

To: "citycouncil@cityofwatsonville.org" <citycouncil@cityofwatsonville.org>, "citymanager@cityofwatsonville.org" <citymanager@cityofwatsonville.org>, "mayor@cityofwatsonville.org" <mayor@cityofwatsonville.org>

My compromise proposal as to what to do with the GW statue appears in the Pajaronian today.

I intend to speak to it again this evening.

I believe it is the best alternative to both extreme views expressed in recent months.

I am neither friends with Manny Solano nor the group from UCSC who have diametrically opposed views regarding GW.

Both sides would benefit from reviewing US history and US presidents based on FACT, NOT EMOTION.

I am hopeful, now that, like you, i am also an elected official, to be taken seriously.

I make the proposal in good faith. I want to remind you: sometimes it takes someone who is NOT wedded to Watsonville's past

to see the issue clearly, without being influenced by partisans of either side. that would be me.

I think i have proved my love for Watsonville. that is why I make this proposal.

by the way, I celebrate my 6 year anniversary in Watsonville next Monday.

Steve Trujillo



City Council &lt;citycouncil@cityofwatsonville.org&gt;

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## Remove Washington Bust

1 message

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**Yan Banales-Garcia** <yanbanalesgarcia@gmail.com>

Tue, Feb 9, 2021 at 1:26 AM

To: citycouncil@cityofwatsonville.org, cityclerk@cityofwatsonville.org

Dear City of Watsonville Council:

As a local resident and Cabrillo student, I have grown up in Watsonville all my life. The utmost biggest eyesore I have ever seen in our city has to be that abomination of a bust. Washington was a cruel slave owner who supported the destruction of Black people and the genocide of Native people. The statue does not belong in our predominantly Mexican farm working community. Instead, we should replace Washington with a statue of an Ohlone person or Cesar Chavez, who was a civil rights leader who fought for farm workers' rights and is a historical person who has a lot more significance for our farm working community. Keeping the bust in the plaza is a nod to white supremacy and the glorification of violence and racism. The bust is offensive. Thank you for taking my opinions into consideration.

Sincerely,

Yan Banales-Garcia  
[72 Alisa Circle](#)  
[Watsonville CA 95076](#)  
(831) 319-3226



City Council &lt;citycouncil@cityofwatsonville.org&gt;

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**George Washington Bust**1 message

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**Jaime Sanchez** <jaimelo\_3@yahoo.com>

Mon, Feb 8, 2021 at 10:08 PM

To: "citycouncil@cityofwatsonville.org" &lt;citycouncil@cityofwatsonville.org&gt;, "cityclerk@cityofwatsonville.org" &lt;cityclerk@cityofwatsonville.org&gt;

February 8, 2021

Dear Watsonville City Council member,

I am writing to ask you to vote for the relocation of the Washington bust. There is no excusing who Washington was and what he did- both good and bad. What does that have to do with our Plaza or our library?

Washington was a white man who enslaved black people; therefore, he practiced racism(white supremacy). What does that have to do with our Plaza or our library?

Washington was the first president of the USA, his image is on the dollar bill, there's a giant white phallic monument in his honor in Washington DC. There's also a state named after him. What does this have to do with our Plaza or our library?

Many people argue that Washington was a kind slave owner and that his slaves had it good. What does this have to do with our Plaza or our library?

Washington used up his slaves for his entire life and decided to free them when he died because he would no longer need them because he would be dead. What does this have to do with our Plaza or our library?

Nobody wants the Washington bust but everybody wants our Plaza. Who is "nobody?" -the people who don't have to see the bust every day. Who is "everybody?" -the people who realize that the plaza is a spectacular place for civilized interaction for residents and visitors world wide. Who is "our?" -The People.

No proper display of a Washington monument can go without all of the names of his enslaved people. To fail to display the names will be to fail to recognize the evil and danger of racism(white supremacy) then; and, in so doing- excuses the racism(white supremacy) that continues today. To fail to display the names would be keep those people enslaved into obscurity. This entire conversation is failing to honor the people who were enslaved by George Washington. Display all of the names. Every. Single. One.

I am calling on you to take a stand for truth, justice and correctness.

I call to immediately remove the Washington bust and temporarily replace that space with a bench. Move the bust into storage until a proper plan of display with all the names and a reasonable installation location is achieved.

-Jaime Sanchez  
Lifelong Watsonville resident and Veteran, Marines 98-02  
Freedom, CA





City Council &lt;citycouncil@cityofwatsonville.org&gt;

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## Keep the Washington Bust in the Plaza

1 message

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**tomandgerianne@aol.com** <tomandgerianne@aol.com>

Mon, Feb 8, 2021 at 8:14 PM

Reply-To: tomandgerianne@aol.com

To: "citycouncil@cityofwatsonville.org" &lt;citycouncil@cityofwatsonville.org&gt;, "Cityclerk@cityofwatsonville.org" &lt;Cityclerk@cityofwatsonville.org&gt;

To the Members of the Watsonville City Council,

I am writing to ask that you please honor the communities wishes and majority of vote of 59% to 35% to keep the bust of President George Washington in our city Plaza. As was started almost a year ago with the petition to remove the bust and counter-petition to keep it as is, I believe that many people are missing the simple intent of its existence; it was the heartfelt wish of a proud immigrant to honor not only his adopted country but also his adopted and beloved city. It was commissioned and then accepted by the city for placement in a prominent location, that being our beautiful and historically recognized plaza. Many have passed by it all these 20+ years, including the members and their families of the group who wish to remove it and yes, even city officials without a note or word of concern for what some believe may be the hidden past of the individual represented. Why do you think that is? Maybe because there was never a hidden intention but just a recognition of our countries first President, simple as that. As has been written in history books for over two hundred years, President Washington was not immune to his time. He did, as we all know, partake in practices that are now looked upon as unacceptable but please remember many in not only this country but in the countries of our ancestors did partake in the exact same practices. We as Americans have evolved and are continuing to evolve in making things better but we still have a long way to go. We are not perfect but we must learn from our mistakes in history; hence the reason the first President is in our plaza. He stands as a reminder that we as Americans are human, we make mistakes but we learn, overcome and strive to be a better people because of it. If we erase reminders of history, we erase the lessons learned and taught to the next generations.

Our current and unsettled times have brought forth questions of doubt, skepticism, mistrust, anger and hatred by some towards our government and even our own friends and neighbors. Some want to look for ways to express those feelings by finding targets that stand in our parks and plazas and to fight against them. I honor ones right to Freedom of Speech, the right to peacefully protest and to make ones voices heard. I do not condone the belief that you can do it by intimidation. You don't silence someone's voice by making them feel any less important then you. You rise people up by respect and education; teaching them that what has come before us is really that, a "teaching moment" and we in the present time have the opportunity to right the course for the future.

Mr. Alaga was just a man who wanted to honor a leader he admired. He hoped and was told that others also felt that way and would welcome his gift(s) so there it now stands. Please allow it to remain and represent a man, soldier and statesman who was the guiding force for the rights we all now enjoy and appreciate.

Thank you,

GeriAnne Solano-Simmons

Lifelong resident of Watsonville and the Pajaro Valley



City Clerk <cityclerk@cityofwatsonville.org>

**Removal of Washington bust whoever brought this up parks and rec is nothing but a bunch of socialist 3rd world anchor babies that are trying to take over our country not to mention nepatism in the employment of our city of watsonville jobs you need to defund sanctuary cities and obey the law.**

2 messages

**julio morales** <tequila1934@yahoo.com>

Mon, Feb 8, 2021 at 12:33 PM

To: eduardo.montesino@cityofwatsonville.org, cityclerk@cityofwatsonville.org

Sent from my iPhone

**Beatriz Flores** <beatriz.flores@cityofwatsonville.org>

Mon, Feb 8, 2021 at 1:09 PM

Bcc: citycouncil@cityofwatsonville.org



**Beatriz Vázquez Flores, MMC**

City Clerk - (831)768-3040 or (831)768-3042

275 Main St., Suite 400, Watsonville CA, 95076

[beatriz.flores@cityofwatsonville.org](mailto:beatriz.flores@cityofwatsonville.org)

Business Hours: 8:00 am to 5:00 pm Monday - Friday.

----- Forwarded message -----

From: **julio morales** <tequila1934@yahoo.com>

Date: Mon, Feb 8, 2021 at 12:33 PM

Subject: Removal of Washington bust whoever brought this up parks and rec is nothing but a bunch of socialist 3rd world anchor babies that are trying to take over our country not to mention nepatism in the employment of our city of watsonville jobs you need to defund sanctuary cities and obey the law.

To: <eduardo.montesino@cityofwatsonville.org>, <cityclerk@cityofwatsonville.org>

Sent from my iPhone



City Council &lt;citycouncil@cityofwatsonville.org&gt;

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## George Washington bust removal

1 message

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**pamela sexton** <pamelabeth.sexton@gmail.com>

Mon, Feb 8, 2021 at 3:38 PM

To: citycouncil@cityofwatsonville.org, cityclerk@cityofwatsonville.org

Dear Mayor Dutra and City Council Members:

We have attached a letter which explains reasons why we support the removal of the George Washington bust from the Watsonville Plaza. We tried multiple times to send this to you via the comment section in the agenda on the City's website, but there seem to be technical problems with the website. This is our first time making comment on this issue because we missed the survey which was organized last year; we imagine many others also missed that.

To summarize from our letter, we wish to see the bust removed because:

1. Washington led inhumane and genocidal military actions and policies against Native peoples.
2. George Washington bought and owned slaves and benefited from this inhumane practice throughout his life and the argument that he was a man of his time doesn't stand up: the 2nd U.S. President Adams and John Locke, the intellectual father of the Revolution, never owned slaves and were opposed to slavery.
3. Washington has no direct time/space connection with Watsonville and there are so many other options for art that connect to this place and represent our community better.
4. When the donation was made to the City years ago, there was no discussion with the public or within the council. As a core central space in our City, what gets placed there matters and should have community support!
5. We are at a moment where we need to be intentional and thoughtful in what symbols and what art to have in our public spaces, particularly the City Plaza which is like the heart of our community. Last year, there was a rally to save the bust at the Plaza, where individuals showed symbols clearly related to white supremacy.

For all of these reasons, we urge you to support moving the George Washington bust from the City Plaza.

Respectfully, Pam Sexton and Curt Gabrielson

--

When we dream alone, it is only a dream, but when we dream together, it is the beginning of reality.

**No to Washington bust.pdf**

337K



City Clerk &lt;cityclerk@cityofwatsonville.org&gt;

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**New Message**

1 message

**George & Sharon Limburg** <gslimb@charter.net>

Sun, Feb 7, 2021 at 10:14 PM

To: "aurelio.gonzalez@cityofwatsonville.org" &lt;aurelio.gonzalez@cityofwatsonville.org&gt;, "cityclerk@cityofwatsonville.org" &lt;cityclerk@cityofwatsonville.org&gt;

I'm hoping that the members of the concil will not take a knee when deciding the fate of the George Washington bust. It deserves to be in a place of promience ( where it is ) not moved to some back hall in the city building where only a few will ever see it. Before uou decide ask yourselves who else in our history has done so much to build the nation we have.

Regarding the flying the blm flagconsider the motives of the founders of the moovement. Patrisse cullors and Alicia Garza, as quoted in the washington times article, stated this goal. "This isn't about justice, it's about destroying America," features scenes of recent rioting, fires and mayhem, but begins with a clip of Ms. Cullors.

"We actually do have an ideological frame," says Ms. Cullors. "We are trained Marxists." dated june 25, 2020.

Let me see if i get this straight, you are considering tearing down george Washington and elevating marxism. i guess it goes hand in hand.

George Limburg



City Council &lt;citycouncil@cityofwatsonville.org&gt;

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## Washington Bust

2 messages

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**Victoria Bañales** <vibanale@cabrillo.edu>

Sun, Feb 7, 2021 at 7:24 PM

To: citycouncil@cityofwatsonville.org, cityclerk@cityofwatsonville.org

Dear City of Watsonville Mayor and Councilmembers:

I write to urge you to vote to remove the Washington Bust from the Watsonville Plaza. Last year, the Parks and Recs Commission voted to remove the Bust. The City Council should honor this decision and proceed to relocate the statue to the Watsonville Public Library. Doing so not only validates the Parks and Recs Commissioners' work, research, and thoughtful decision, but also is an act of social justice.

I understand people have a strong sense of "patriotism" and may feel upset or unsettled when parts of their (American) culture and history are questioned. They may argue that Washington's behavior was normal for his day. But normal for whom? Washington's behavior (and that of others like him) was never, ever "normal" behavior for Black and Native peoples. When I hear people say Washington's behavior was "normal" and that he was not "perfect," I am aghast. Millions of people were murdered and raped as a result of the actions of these so-called "imperfect" men who were acting "normal" for their time period. But "normal" for whom? For Black and Native people, it was not "normal" behavior to kill, maim, enslave, exterminate, torture, dehumanize, and rape entire peoples/cultures. For Black and Native peoples, this was not "normal" behavior and it never was! Not then, not now, not ever. Such racist and insensitive ethnocentric excuses legitimize the logic and thinking of white supremacy, studying history through a dominant white lens. And this is precisely why the Bust should be removed. It's time we stop "normalizing," legitimizing, and celebrating prominent historical figures who committed unspeakable acts of violence against Black and Native peoples. The time has come for Watsonville to do the right thing.

Moreover, I do not think requesting feedback via online forums or surveys is the best way to reach a wide audience. Such a method leaves out the majority of the residents of Watsonville, many of whom are Spanish-speaking and are not included in these online forums or surveys. Their voices will not be heard or taken into consideration. For example, last semester, I asked my Cabrillo students (Watsonville Center English classes) what their thoughts were about the George Washington Bust. If I recall correctly, only 1 student knew about the debate. The City of Watsonville can and should do better than that. At Cabrillo College, where the issue of changing the college's name is gaining momentum, the Board established a task force, and there are several upcoming educational forums, which will include Native scholars, and a scholarship competition. Cabrillo faculty have also been encouraged to include mini-lessons in our classes to inform students about the debate.

Last but not least, even if a minority of Watsonville residents believes the City of Watsonville should remove the Bust (which I don't think is true for reasons stated above), and even if such a decision may seem to go against a majority, removing the Bust is the right thing to do. The march toward social justice has always been met with disdain and resistance. Always. These voices are loud. These voices clamor patriotism. These voices will attempt to discredit the opposition and make excuses, saying "it's the way things were," "nobody is perfect," "Washington is a hero," etc.). But when social justice wins, and when time transpires, we look back and reflect, and we know it was the right thing to do. I will add that the Bust has no place in our beautiful public plaza and was put there through some shady process in exchange for money (without the consent of the community). Your vote to remove the Washington Bust and relocated it to the library is a strong vote for social justice/antiracism. It is a courageous vote. It may not make you popular with certain constituencies, but *it is the right thing to do*. Thank you for reading my letter.

Sincerely, Victoria Bañales

--

Victoria M. Bañales, Ph.D.  
English Department  
Cabrillo College  
6500 Soquel Dr.  
Aptos, CA 95003  
(831) 479-6112

2/8/2021

City of Watsonville Mail - Washington Bust

**Victoria Bañales** <[vibanale@cabrillo.edu](mailto:vibanale@cabrillo.edu)>

Mon, Feb 8, 2021 at 8:09 AM

To: [citycouncil@cityofwatsonville.org](mailto:citycouncil@cityofwatsonville.org), [cityclerk@cityofwatsonville.org](mailto:cityclerk@cityofwatsonville.org)

By the way, I forgot to provide my address: Victoria Bañales, [72 Alisa Circle, Watsonville, CA 95076](#). My apologies, VB  
[Quoted text hidden]



City Council &lt;citycouncil@cityofwatsonville.org&gt;

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## Washington Bust

1 message

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**Manny Solano** <mannyjsolano@gmail.com>

Sat, Feb 6, 2021 at 11:47 AM

To: citycouncil@cityofwatsonville.org

Cc: Nick Calubaquib &lt;nick.calubaquib@cityofwatsonville.org&gt;, pcs@cityofwatsonville.org, Matt Huffaker &lt;matt.huffaker@cityofwatsonville.org&gt;

Dear Mayor and City Council,

Attached is a letter in support of the George Washington bust.

Thank you,

**Manny Solano**  
**75 Fruitland Ave.**  
**Watsonville CA. 95076**

**MSolano Washington Ltr 2.6.21 (1).pdf**

165K



City Council &lt;citycouncil@cityofwatsonville.org&gt;

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## Removal of the George Washington Bust from the Plaza

1 message

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**Erin Wood** <erinlisewood@gmail.com>

Fri, Feb 5, 2021 at 6:11 PM

To: citycouncil@cityofwatsonville.org, cityclerk@cityofwatsonville.org

Hi there,

I am having trouble adding my comment for the meeting on Tuesday 2/9 to the website, both as a comment or as a PDF, so I am including it here below.

Thank you!  
~Erin

### **Dear City Councilmembers and attendees of the meeting,**

As we have seen at the Capitol, we need to take white nationalism and violent extremism seriously. It is alive and well in our county, as it has been since the colonization of California.

**I live in the Santa Cruz Mountains, where on June 6th, a resident named Steven Carrillo, shot and killed a sheriff. Steven had plenty more destructive devices in a van, which he had used in a drive-by to kill a security officer in Oakland during a BLM protest earlier last summer. Steven was linked to Boogaloo, a group of heavily-armed extremists. "The Boogaloo term is used by extremists to reference a violent uprising, or impending civil war in the United States."**

**I bring this up since we saw protestors to keep the George Washington bust dressed in Boogaloo attire, Hawaiian shirts with camo, along with some attendees flashing white power signs. All the more reason to remain vigilant of how angry and emboldened members of extremist groups are.**

**I am a direct descendant of George Washington's uncle and I see no reason to glorify George Washington at all. He was an enslaver who started the French and Indian War, and signed the Fugitive Slave Law in 1793, which stated that slave owners had the legal right to recapture enslaved people who escaped across state lines, if necessary with force. He ordered the Indigenous folks to be killed.**

**Is this really what we want to uplift in the plaza? There are so many artists in Watsonville to showcase instead of a bust that causes and perpetuates harm.**

**Feel free to share this comment at the meeting. I obviously support the removal of the bust and replacing it with art chosen by Latinx residents of Watsonville.**

**Erin Wood  
5th Generation Californian**

**"Disaster demanded a new dawn.  
Only new thinking can lead to a new dawn.  
We know that."  
~Zadie Smith  
Intimations**



**Erin Wood, L.Ac., M.S.**  
**Acupuncture and Herbal Medicine**  
**510.717.WOOD**  
[www.erinwoodacupuncture.com](http://www.erinwoodacupuncture.com)

Some Mondays at [500 Estudillo Avenue, San Leandro](#)  
Some Tuesday & Thursdays at [3947 Opal Street](#) in North Oakland  
Fridays in Boulder Creek, in the San Lorenzo Valley

[Order supplements on Wellevate!](#)

[Buy a Multipure water filter!](#)

[Review me on Yelp!](#)



City Council &lt;citycouncil@cityofwatsonville.org&gt;

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**Fate of the George Washington bust.**

2 messages

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**Michelle Leahy** <missyleahy@gmail.com>  
To: citycouncil@cityofwatsonville.org

Fri, Feb 5, 2021 at 1:45 PM

Hello, my name is Michelle Solano Leahy. I was born and lived in Watsonville for 35 years. I still live in North Monterey County, but I still visit family, friends, and continue to enjoy the many businesses in Watsonville. I support the bust of George Washington remaining at the city plaza for one basic reason. George Washington accomplished many things for this country, but he was happiest as a farmer. What better reason to keep it there. I hope you consider this when determining the end result. Thank you.

Respectfully,

Michelle Solano Leahy

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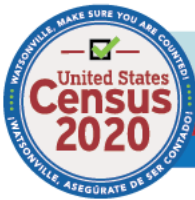
**Beatriz Flores** <beatriz.flores@cityofwatsonville.org>

Fri, Feb 5, 2021 at 1:59 PM

Cc: Matt Huffaker &lt;matt.huffaker@cityofwatsonville.org&gt;, Tamara Vides &lt;tamara.vides@cityofwatsonville.org&gt;, Nick

Calubaquib &lt;nick.calubaquib@cityofwatsonville.org&gt;

Bcc: citycouncil@cityofwatsonville.org

**Beatriz Vázquez Flores, MMC**

City Clerk - (831)768-3040 or (831)768-3042

275 Main St., Suite 400, Watsonville CA, 95076

[beatriz.flores@cityofwatsonville.org](mailto:beatriz.flores@cityofwatsonville.org)**Business Hours: 8:00 am to 5:00 pm Monday - Friday.**

[Quoted text hidden]



Desiree Moya <desiree.moya@cityofwatsonville.org>

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## {PCS} Re: George Washington Bust Update

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V E <vargas.eh@gmail.com>

Thu, Feb 4, 2021 at 11:00 AM

To: pcs@cityofwatsonville.org

So, are you now going to replace it with a bust of Karl Marx?

On Thu, Feb 4, 2021, 10:00 AM City of Watsonville <pcs@cityofwatsonville.org> wrote:



## City Council to Determine Location of George Washington Bust



Desiree Moya <desiree.moya@cityofwatsonville.org>

---

## {PCS} Re: George Washington Bust Update

---

Zarko Radich <zradich@gmail.com>

Thu, Feb 4, 2021 at 12:21 PM

To: pcs@cityofwatsonville.org

Let "Revolunas" put this on a ballot, so people of Watsonville can make a decision!  
Otherwise "Revolunas" will ask for more and more and we will listen somebody who we don't know much about.

On Thu, Feb 4, 2021 at 10:00 AM City of Watsonville <pcs@cityofwatsonville.org> wrote:



## City Council to Determine Location of George Washington Bust



City Clerk &lt;cityclerk@cityofwatsonville.org&gt;

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**Feb 9 meeting**

1 message

**Pedro Castillo** <pcastle@ucsc.edu>

Mon, Feb 1, 2021 at 10:54 AM

To: eduardo.montesino@cityofwatsonville.org, cityclerk@cityofwatsonville.org

Estimado Eduardo,

A motion from the Parks and Recreation Commission to remove the bust of George Washington from the Plaza is coming to the city council for action on your meeting of February 9. I strongly support this motion and hope that you do

also. The bust of George Washington does not belong at the Plaza and is a terrible "role model" for our children. He was a slave owner and by having his bust at the Plaza is sending the wrong message to the youth of our community.

Thanking you for your consideration and best, Pedro

Pedro Castillo

Professor of History Emeritus

University of California, Santa Cruz

Resident of 4th District



City Clerk &lt;cityclerk@cityofwatsonville.org&gt;

## Date of Meeting to address the GW Bust?

1 message

Erin Wood &lt;erinlisewood@gmail.com&gt;

Fri, Jan 8, 2021 at 10:14 AM

To: citycouncil@cityofwatsonville.org, cityclerk@cityofwatsonville.org

Greetings and Happy New Year!

Wondering when the discussion about the removal of the GW bust from the plaza will happen? I attended some of the previous Parks and Rec meetings and look forward to continuing the discussion. As we have seen at our nation's Capitol, we need to take white nationalism and violent extremism seriously. It is alive and well in our county, even in California.

I live in the Santa Cruz Mountains, where you will all remember, on June 6th, a resident named Steven Carrillo, shot and killed a sheriff. He had plenty more weapons and destructive devices in a van, which he had used in a drive-by to kill a security officer in Oakland during a BLM protest earlier this summer. Steven was linked to Boogaloo, a group of heavily-armed extremists. "The Boogaloo term is used by extremists to reference a violent uprising, or impending civil war in the United States."

[Steven Carrillo and Joseph Keeler preliminary hearings pushed to March \(msn.com\)](#)

[Federal Criminal Complaint Links Attack on SC Sheriffs, Oakland Security Officers to Boogaloo Movement : Indybay](#)

The reason I bring this all up is that we saw protestors showing up to keep the GW bust in Watsonville dressed similarly to the Boogaloo attire (Hawaiian shirts and camo) along with some attendees flashing white power signs. All this is more reason to remain vigilant of how powerful, angry, and armed members of these extremist groups are.

I am a direct descendant of GW's uncle and I see no reason to glorify GW at all. He was an enslaver who started the French and Indian War, and signed the Fugitive Slave Law in 1793, which stated that slave owners retained the legal right to recapture enslaved people who escaped across state lines, if necessary with force. Here is more info about how he also ordered the Indigenous inhabitants of the land to be killed: [George Washington owned slaves and ordered Indians killed. Will a mural of that history be hidden? - The Washington Post](#)

Is this really what we want to uplift in the plaza? There are so many other artists and local works of art in Watsonville to display, ones that don't cause and perpetuate harm.

Thank you so much for your time and feel free to reach out with any questions, Erin Wood, L.Ac.  
5th Generation Californian

--

**"Disaster demanded a new dawn.  
Only new thinking can lead to a new dawn.  
We know that."  
~Zadie Smith  
Intimations**

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Some Tuesday & Thursdays at [3947 Opal Street](#) in North Oakland  
Fridays in Boulder Creek, in the San Lorenzo Valley

Page 575 of 625



City Clerk &lt;cityclerk@cityofwatsonville.org&gt;

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**New Message**

2 messages

**George & Sharon Limburg** <gslimb@charter.net>

Wed, Jan 6, 2021 at 5:27 PM

To: "eduardo.montesino@cityofwatsonville.org" &lt;eduardo.montesino@cityofwatsonville.org&gt;, "cityclerk@cityofwatsonville.org" &lt;cityclerk@cityofwatsonville.org&gt;

I am writing this in response to the placement of the bust of George Washington. I think it should stay right where it is. Any capitulation to the radical group revolunas would only embolden them and the three park commissioners Sencion, Hurtado-Aldana and Carrasco to destroy the history of our country. Over many generations people have come here to enjoy the opportunity and way of life George Washington founded. As Jessica Carrasco stated in the paper the bust offends a big part of our community. To that I say you and those offended should be grateful that we had such men as the founding fathers ( not the so called founding father that Tony Nunez referred to them as ) for without them you wouldn't have a country to complain about.

George Limburg  
Watsonville

---

**George & Sharon Limburg** <gslimb@charter.net>

Wed, Jan 6, 2021 at 5:28 PM

To: "cityclerk@cityofwatsonville.org" &lt;cityclerk@cityofwatsonville.org&gt;

[Quoted text hidden]



City Clerk &lt;cityclerk@cityofwatsonville.org&gt;

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## Washington statue

1 message

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**SUSAN RODRIGUEZ** <suematkell@sbcglobal.net>

Thu, Nov 5, 2020 at 6:26 PM

To: citycouncil@cityofwatsonville.org, cityclerk@cityofwatsonville.org

Good evening:

I am writing to you to let you know I'm appalled that the decision whether to remove the statue of Washington has gotten to this point. Why are you being pressured to do so? The statue needs to remain where it is. What everybody is forgetting is this was a gift that the city gladly accepted. How can you now decide to get rid of it. You all should be ashamed of yourselves for even considering it. I was born and raised in Watsonville and I the people wanting to get rid of it have an agenda of some dirt. Please vote to keep it. It is the right thing to do to honor Mr Alaga's gift.

Sue Rodriguez  
Watsonville, Ca

Sent from my iPhone





City Clerk <cityclerk@cityofwatsonville.org>

---

## George

1 message

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**Sylvia Lazo** <sylvialazo@mac.com>

Wed, Nov 4, 2020 at 4:52 PM

To: aurelio.gonzalez@cityofwatsonville.org, cityclerk@cityofwatsonville.org

We are asking you to vote in favor of keeping the George Washington bust in the plaza. Please respond.  
Don and Sylvia Lazo

Sent from my iPhone



City Council <citycouncil@cityofwatsonville.org>

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## George Washington Statue

1 message

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**Rose Cawaling** <momcawal@icloud.com>

Wed, Nov 4, 2020 at 9:20 PM

To: citycouncil@cityofwatsonville.org, cityclerk@cityofwatsonville.org

You as a council should honor the survey the people took.

What a waste of city resources to spend money on a survey no one on the Parks Commission took into consideration.

The statue should stay.

Sent from my iPhone

# Location of the George Washington Bust

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FEBRUARY 9, 2021

# Statement of Issues

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The City Council must determine the future location of the George Washington bust in the City Plaza, following significant community input advocating the bust be removed and significant community input advocating the bust remain.

# Recommendation

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In accordance with feedback received from community members, it is recommended that the Council adopt a resolution directing staff to:

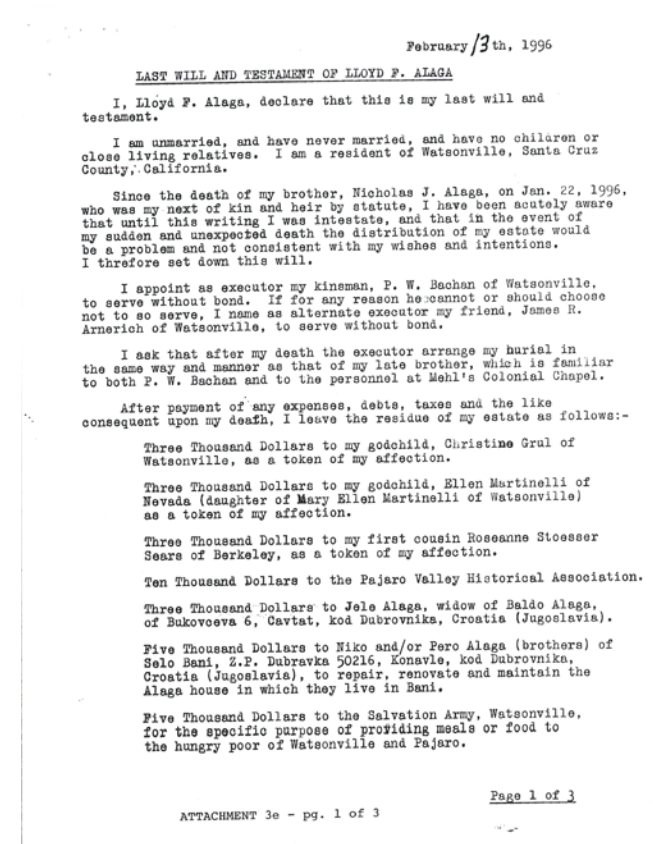
1. Keep the George Washington bust in its current location in the City Plaza
2. Add a bilingual plaque on the podium of the bust that describes a broad historical perspective about George Washington

# Background

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# Lloyd F. Alaga

- Born and raised in Watsonville, attending Moreland Notre Dame Academy and Watsonville High School.
- Passed away in 1997
- Was unmarried, with no children or close living relatives
- Gift from the Alaga Estate to the City
  - \$200,000 for Library reference works
  - \$100,000 for a George Washington bust



# Last Will and Testament

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*Five percent of its value to the City of Watsonville, which in this testator's opinion suffers from a dearth of public statuary, for the purpose of acquiring a bust of George Washington made by a sculptor of reputation in the style called representational or realistic, to be placed in the City Plaza on a plinth or block, if possible made of the characteristic granite from the Aromas Granite Rock Quarry, with a plaque or carved inscription reading: "George Washington, 1732-1799, Father of His Country" and the old saying "First In War, First In Peace, First In The Hearts Of His Countrymen", and a discreet inscription at the side or back that the monument is the "Gift of Lloyd F. Alaga".*



# Why George Washington?

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Mateo Lettunich, Lloyd Alaga's cousin, stated in a eulogy for Lloyd "...he has left a sum of money to the City of Watsonville if they will erect in the Plaza, a statue of – George Washington! And I think I know why. Gramp, his Uncle Motto, was very proud of being an American, and felt that America had given our family everything it had...philosophically (this bequest reflects) his belief in what is right, what is just."

# Production of the Bust

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- June 1997 – Lloyd F. Alaga passed away
- May 1999 – Watsonville City Council accepted the gifts of \$100,000 for the bust (the remainder to be used to restore the fountain) and \$200,000 for library reference works
- Late 1999 – City released RFP calling for artists to create and install the a bust
- April 2000 – City entered into agreement with artist Michelle Armitage for \$70,000



# Production of the Bust (cont.)

February 2001 – Unveiling ceremony held in the City Plaza.

“...a slightly larger than life size (32-36 inches high) bust of George Washington, rendered in bronze, and mounted on a rectangular pedestal (approx.. 54 inch high), of concrete and granite; extracted from the ‘Granite Rock Quarry’ at Aromas.” The bust was “cast using a technique called ‘Lost Wax,’ a process that dates back for centuries. The original sculpture is molded in clay. A mold is taken from the clay sculpture to cast a wax edition. Through the ‘lost wax’ process, the ‘wax’ (becomes) the finished bronze sculpture.”









GEORGE WASHINGTON

1732 - 1799

FATHER OF HIS COUNTRY

FIRST IN WAR, FIRST IN PEACE

FIRST IN THE HEARTS OF HIS COUNTRYMEN



GIFT OF LLOYD F. ALAGA  
1919 – 1997



**GEORGE WASHINGTON MONUMENT  
BY MICHELLE ARMITAGE**

**A GIFT TO THE CITY OF WATSONVILLE  
FROM LLOYD F. ALAGA**

**CAST AT AMERICAN FINE ARTS FOUNDRY  
CONCRETE DONATED BY GRANITEROCK**

**DEDICATED ON FEBRUARY 22, 2001**



# Historic Designation

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- City Plaza added to the National Register of Historic Places in 1982.
- George Washington bust has not been added as a feature of the Plaza's designation.





# Recent Community Discussion - Overview

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| Date              | Action  |
|-------------------|---|
| July, 2020        | 3 Petitions circulated both in favor of and against removing the Bust |
| August 3          | PRC Study Session   |
| September 1-30    | Survey open to the Public   |
| September 21      | Update Report to the PRC  |
| October 20, 6-8p  | Town Hall Meeting   |
| November 2, 6:30p | PRC Meeting and Recommendation  |
| February 9, 2021  | City Council Meeting and Final Action                                 |

# Recent Community Discussion

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## July 2020

- 3 community initiated petitions
- 2 sit ins/demonstrations in front of the bust
- Many letters and emails sent to the Parks and Rec Commission, City Council and City Managers Office
- Petitions and correspondence clearly outlined two opposing arguments and positions on the placement of the Bust at the City Plaza
- High level of support for both positions

# Recent Community Discussion

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## **Parks and Recreation Commission Meeting – August 3, 2020**

- Study Session conducted to further understand community viewpoints
- An unprecedented community conversation
- Opportunity to determine what concerns needed to be addressed and what further information is needed

# Unaddressed Concerns

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- Concerns were expressed by individuals who advocated for removal and that it remain
- Concerns that:
  - Opinions expressed through petitions and other correspondence are from Non-Residents
  - Concerns that duplicate responses from individuals may be counted
  - Concerns that there was not enough time for community to learn about the discussion and weigh in on it

# Community Survey

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- Survey created to address these concerns
- Ability to better account for city residency
- Ability to better control for duplicate responses
- Ability to gather broader community input
  - Cast a wide net
  - From a neutral source
  - Serve as education tool on the topic
  - Month long survey
- Survey tool was created using language from petitions and other correspondence

# Survey Details

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- **Collection Dates:** September 1 – 30, 2020
- **Survey Tool:** Survey Monkey
- **Languages:** English and Spanish
- **Number of Responses:** 1,231 (498 City residents)

# Survey Questions

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- Respondents asked about their option on the placement of the bust
- Respondents asked how strongly they felt in their opinion of the bust remaining or being removed from the City Plaza
- Respondents asked about reasons for their feelings
- Respondents asked about actions they would support
- Respondents asked for name and address (email and phone changed to optional)

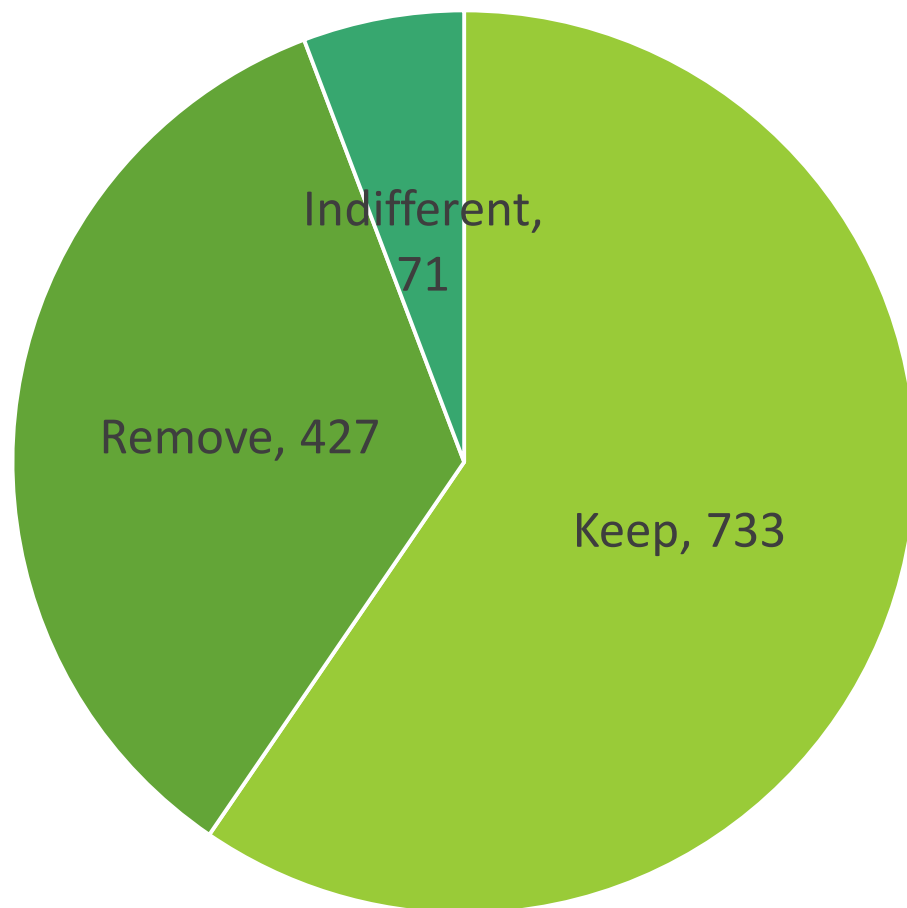
# Survey Summary and City Residency

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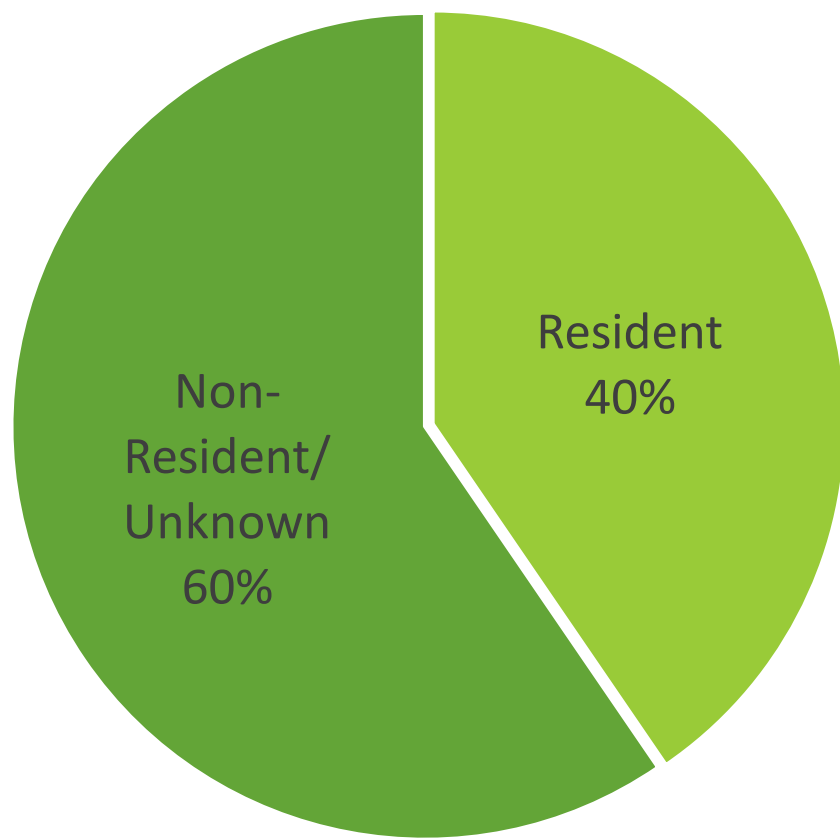
# Survey Summary (Question 1)

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|  | Total | %    |
|--|-------|------|
| I think the bust should <b>remain</b> in the City Plaza.       | 733   | 60%  |
| I think the bust should be <b>removed</b> from the City Plaza. | 427   | 35%  |
| I am indifferent.  | 71    | 6%   |
| TOTALS   | 1231  | 100% |

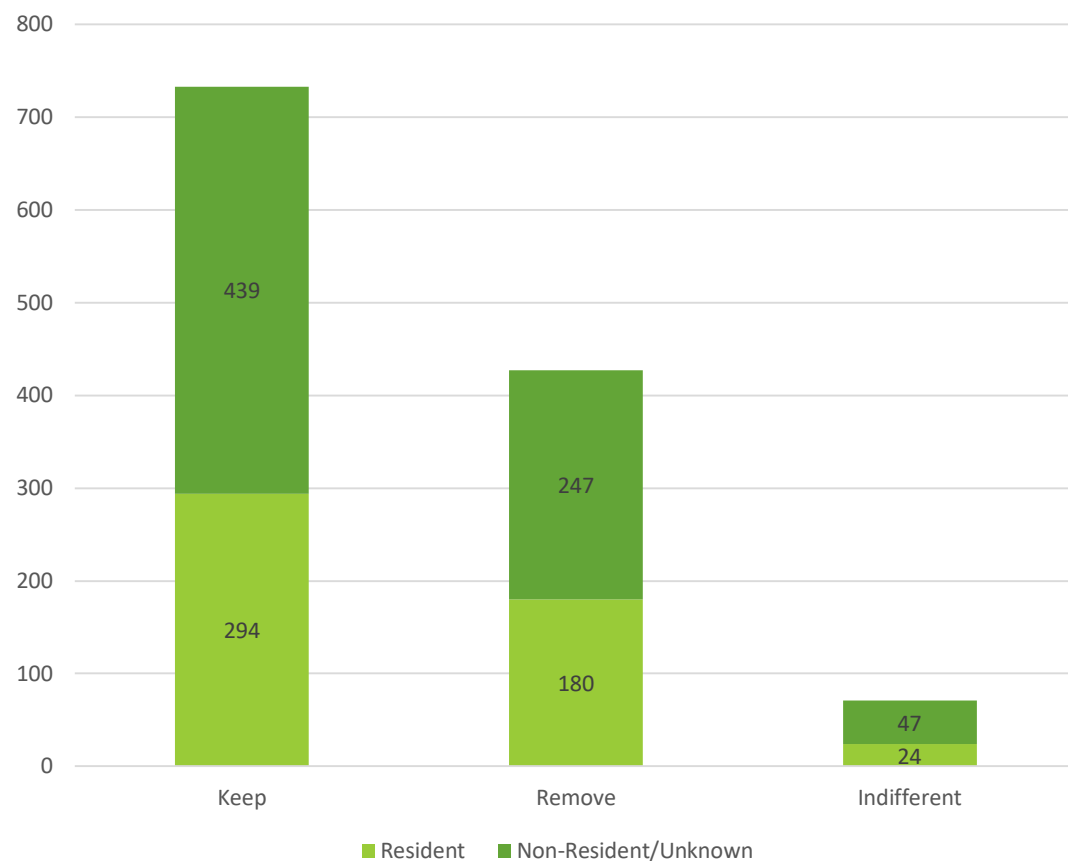
# Residency of Respondents



|               | #     | %    |
|---------------|-------|------|
| Residents     | 498   | 40%  |
| Non-Residents | 733   | 60%  |
| TOTALS        | 1,231 | 100% |

- **Residents** - Provided a verified address, within Watsonville City limits
- **Non-Resident/Unknown**
  - Provided an address outside of Watsonville
  - Provided an unverified address
  - Did not enter an address

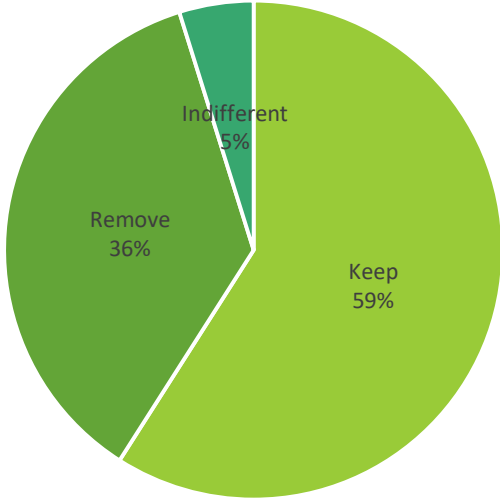
# Survey Summary with Residency



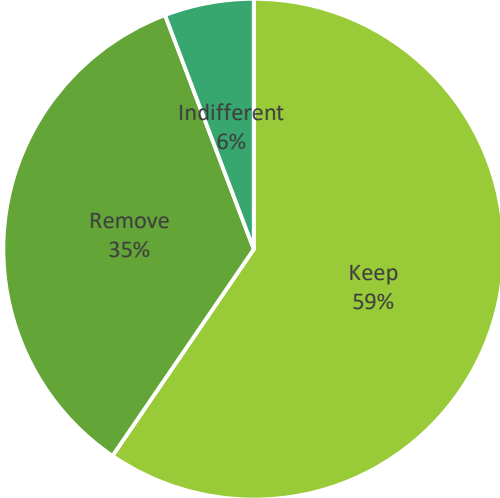
|                      | KEEP |     | REMOVE |     | INDIFFERENT |    | TOTAL |
|----------------------|------|-----|--------|-----|-------------|----|-------|
| Resident             | 294  | 59% | 180    | 36% | 24          | 5% | 498   |
| Non-Resident/Unknown | 439  | 60% | 247    | 34% | 47          | 6% | 732   |
| Total                | 733  | 59% | 427    | 35% | 71          | 6% | 1231  |

# Survey Summary (Residents vs. All Respondents)

City Residents Only



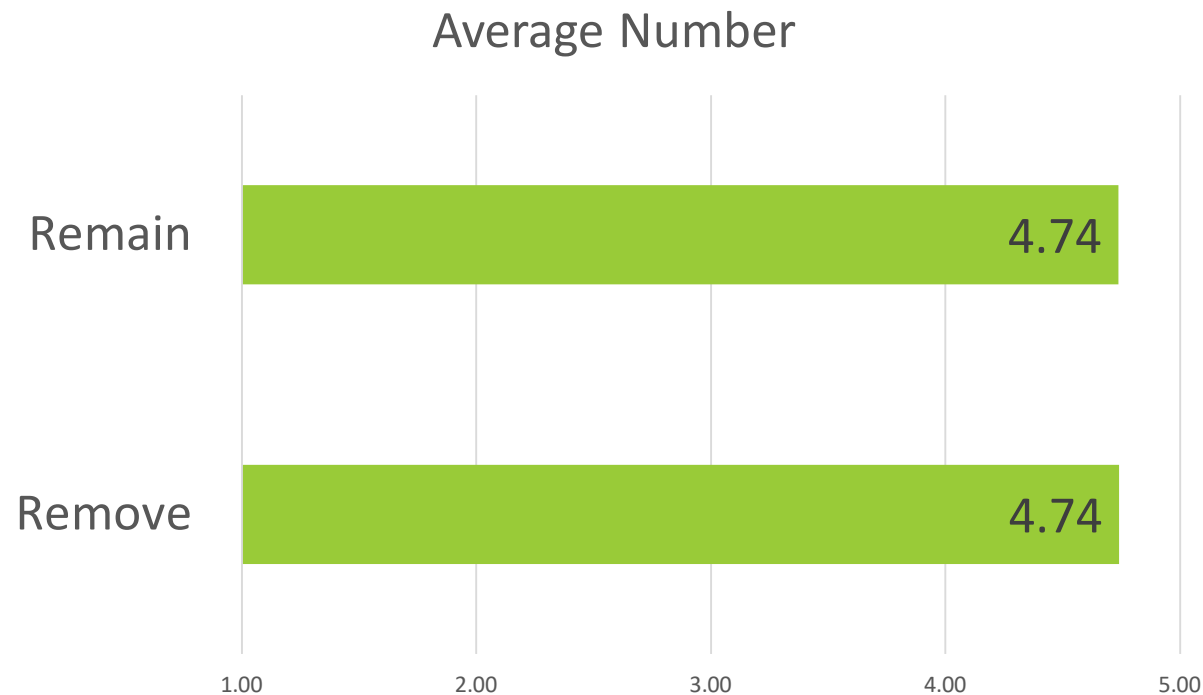
All Respondents



|             | Residents | %    | All  | %    |
|-------------|-----------|------|------|------|
| Keep        | 294       | 59%  | 733  | 59%  |
| Remove      | 180       | 36%  | 427  | 35%  |
| Indifferent | 24        | 5%   | 71   | 6%   |
| TOTALS      | 498       | 100% | 1231 | 100% |

# Follow Up Questions – How strongly do you feel?

On a scale of 1-5, how strongly do you feel that the bust should be removed from/remain in the City Plaza (1 being the least strong and 5 being the strongest)?

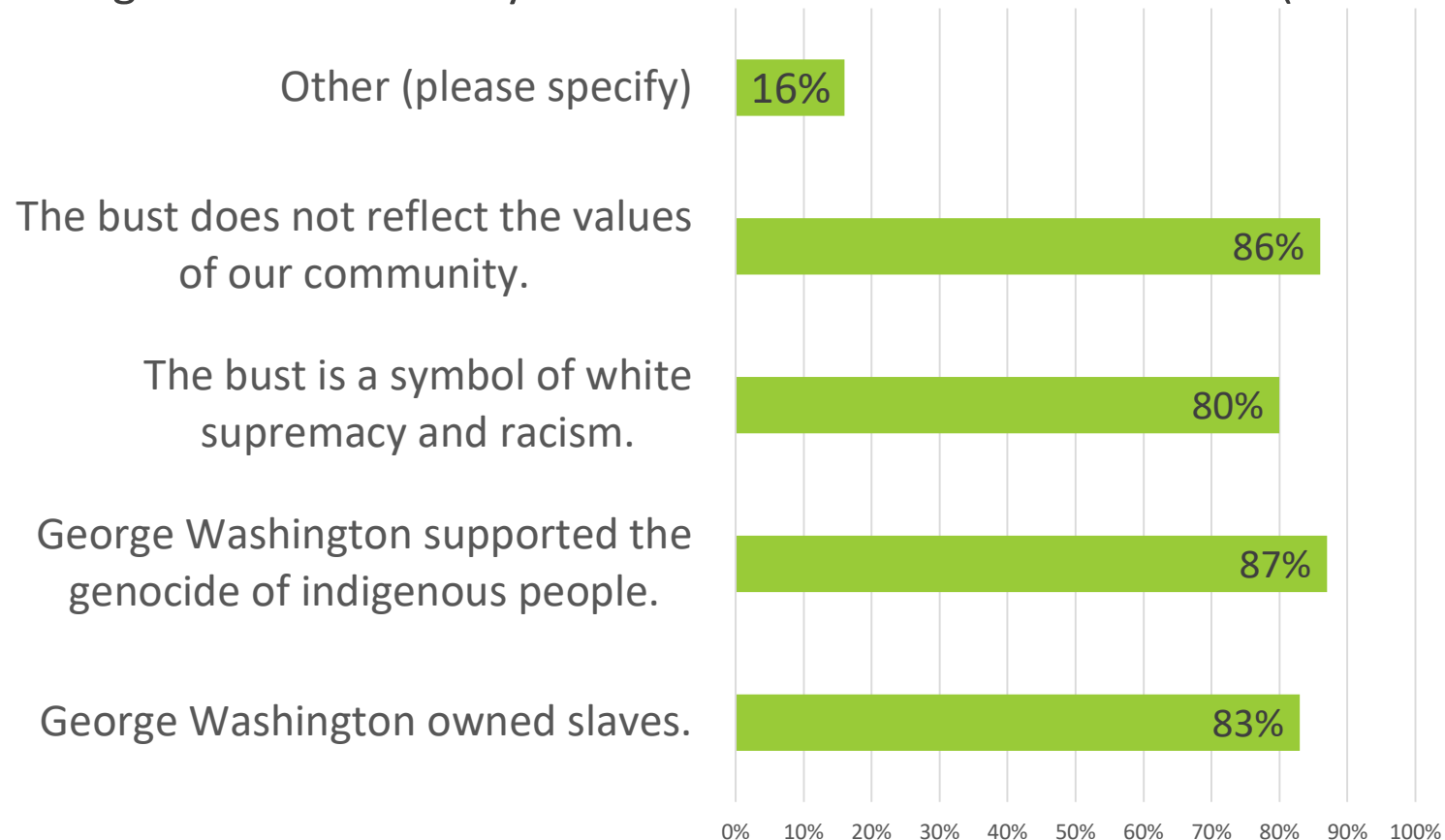


# Reasons for Removal or that it Remain

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# Reasons for Removal

Which of the following are reasons that you feel the bust should be removed (check all that apply)?



# Reasons for Removal

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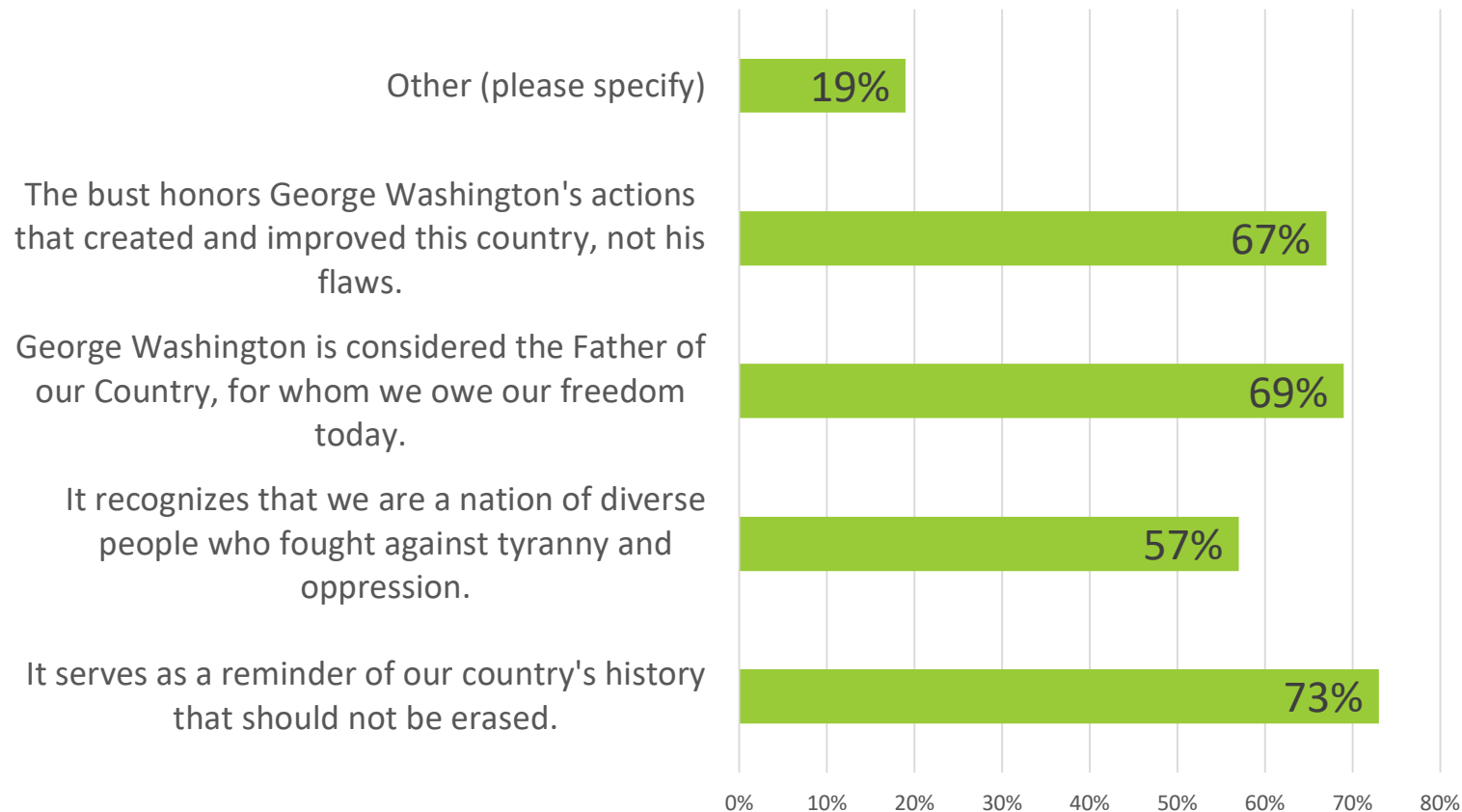
## **Other:**

- Bust ignores other parts of history/tells an incomplete story
- George Washington is irrelevant to local history
- Need a symbol that better represents our community
- George Washington represents oppression, racism, slavery
- It is ugly



# Reasons to Remain

Which of the following are reasons that you feel the bust should remain (check all that apply)?



# Reasons to Remain

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## **Other:**

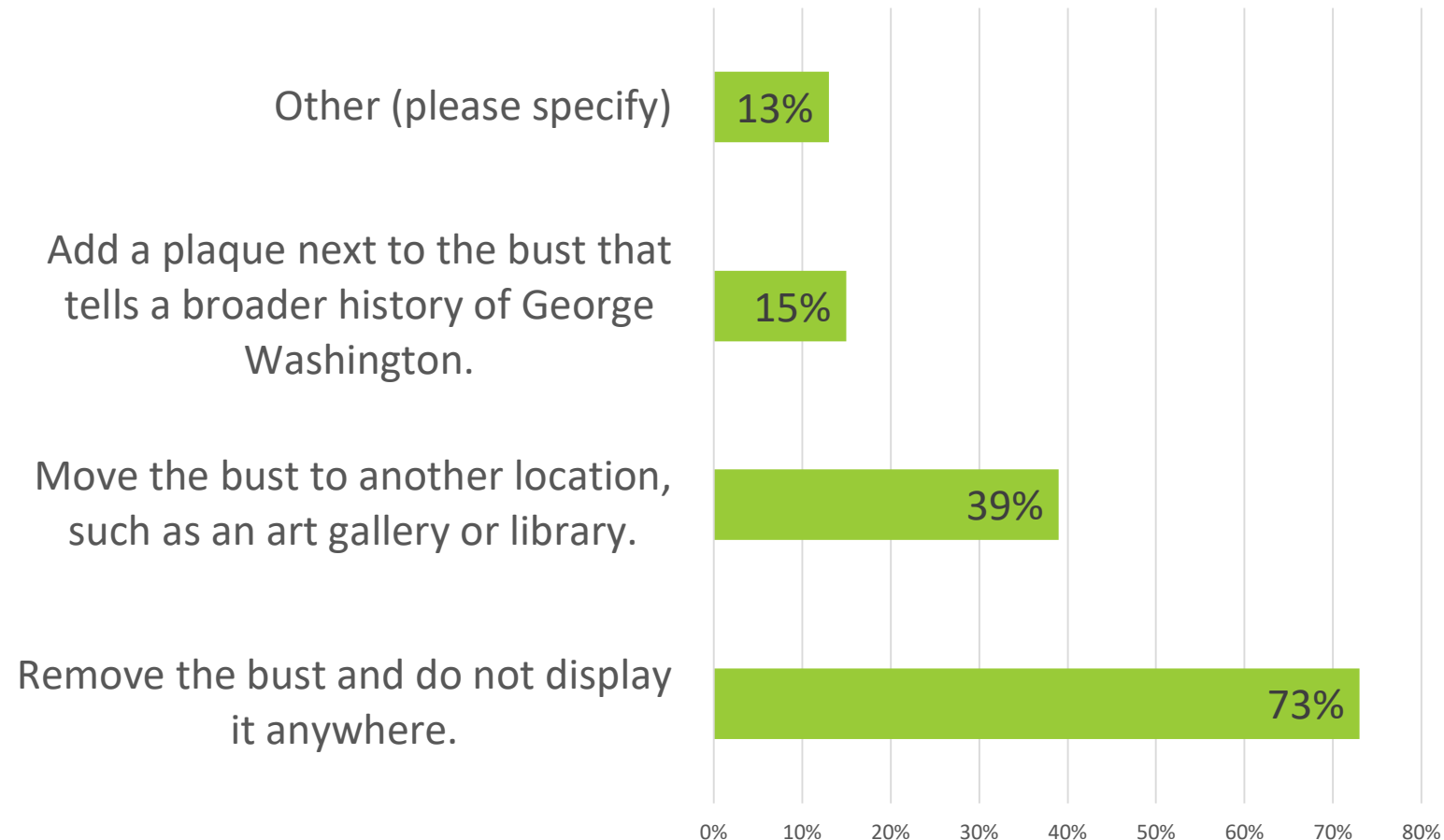
- All people are flawed
- Can't apply today's values to the past
- It was a donation that the City Council accepted
- George Washington freed his slaves
- We would not have the freedoms we have today if not for George Washington
- We should learn from history, not erase it
- Slavery was practiced throughout history, including in European, African and Aztec cultures

# Possible Actions

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# Possible Actions - Respondents in Favor of Removal

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# Possible Actions - Respondents in Favor of Removal

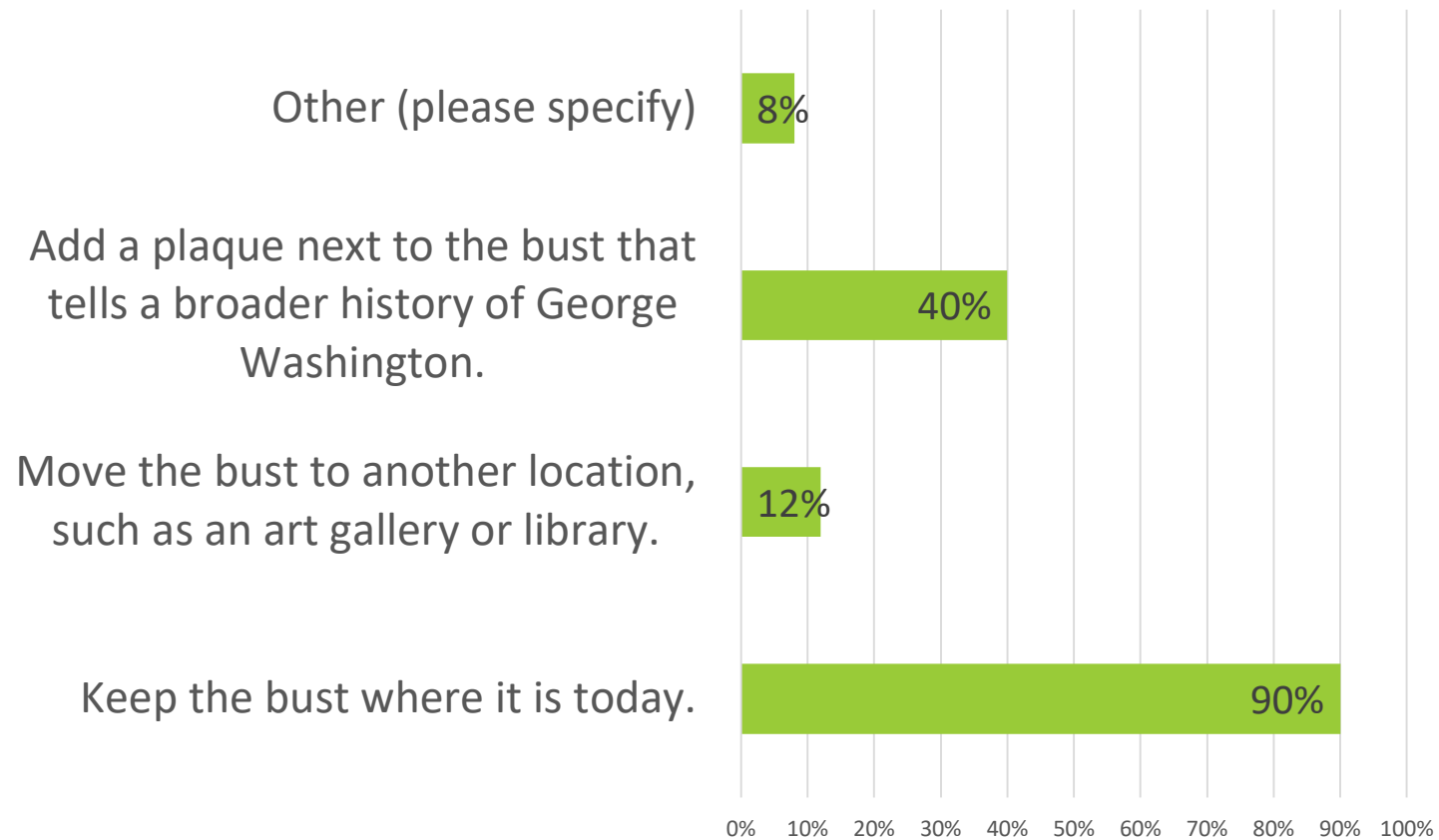
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## Other:

- Replace it with a statue of another historical figure
- Return it to the Alaga Family
- Relocate it **and** add a plaque that tells a broader history
- Add other statues of historical figures to the City Plaza

# Possible Actions - Respondents in Favor of Remaining

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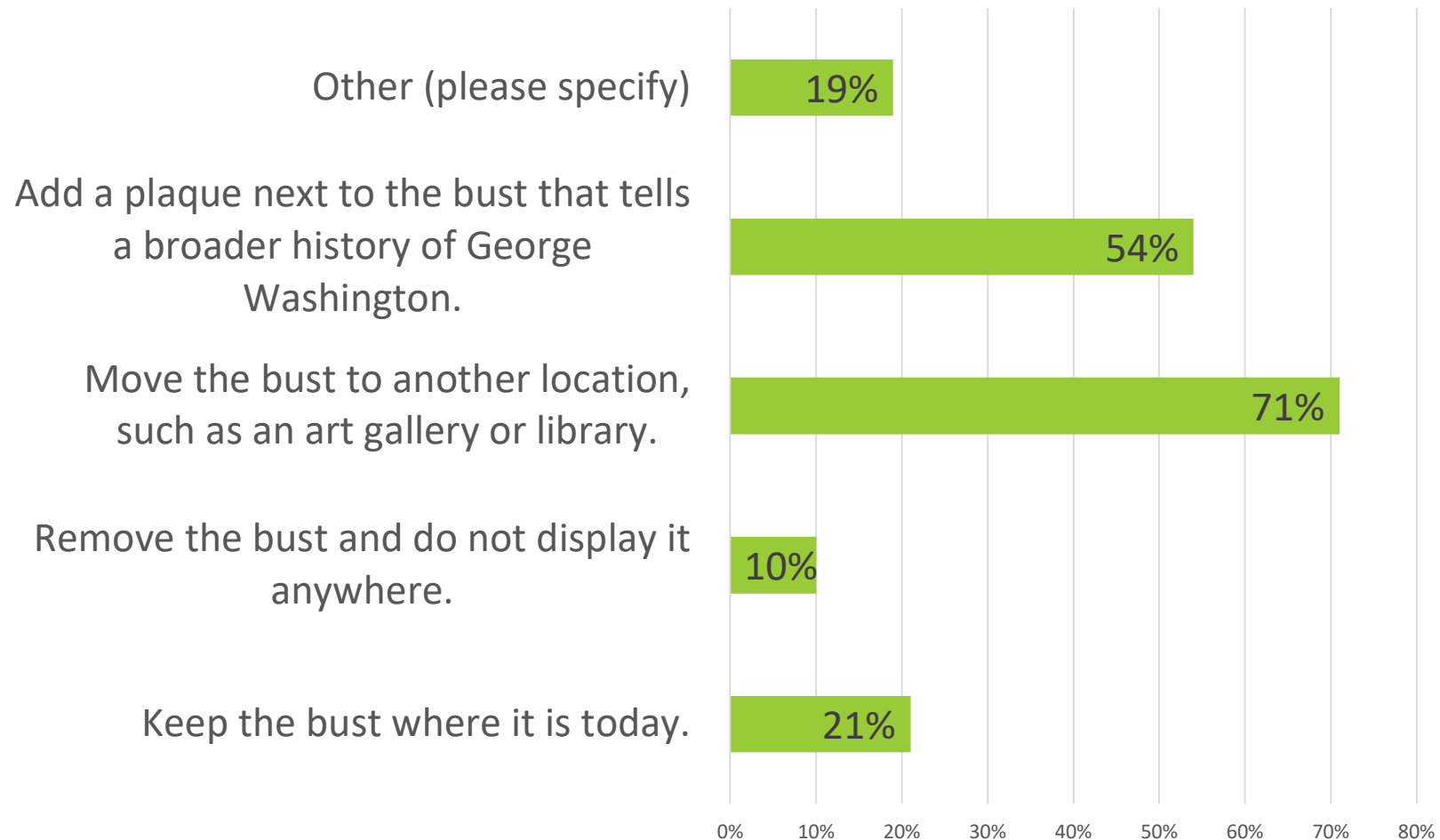
# Possible Actions - Respondents in Favor of Remaining

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## **Other:**

- Add statues/art that honor other leaders, heritages
- If it is removed, give the money back to Alaga Family
- If it is removed, do not replace it

# Possible Actions - Respondents who are Indifferent





# Community Discussion

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# Town Hall Meeting

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- October 20, 2020
- **Attendance:** 94
- **Purpose:** To explore constructive ideas/options for the George Washington Bust to present to the PRC that align with the spirit of the feedback received by Watsonville residents.
- The intent of the meeting was to focus on the future, work together towards solutions and learn from each other.
- **Meeting Agenda:**
  - Review Results of the Community Survey
  - Work together to explore options

# Meeting Discussion

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- Options presented based on survey results:
  - Remain - Take no action and keep the bust where it is and do nothing else.
  - Remain with Plaque - Keep the bust where it is and add a plaque that tells a broader history of GW
  - Relocate - Move the bust to be displayed in another location (potentially City Hall, Library, PV Arts). Could also add a plaque.
  - Remove - Remove the bust and do not display in anywhere (could be returned to the Alaga Family or kept by the City for safekeeping).
- Individuals present during the meeting indicated support for each of these options, with more attendees supportive of the bust remaining with a plaque or relocating it.
- Some attendees suggested that more time and community outreach should be conducted prior to making a decision.
- General willingness to find a solution that brings community together

# Other Considerations

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- Should the bust be removed from the Plaza, Alaga Family members have requested to move the bust to a safe location.
- The Pajaro Valley Historical Association's Historical Center is not a viable location to display the bust.
- The cost to procure and install a second statue or bust of historical significance and similar size and materials is estimated at over \$100,000.

# Parks and Recreation Commission Recommendation

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- November 2, 2020
- Parks and Recreation Commission recommended (by a 4-2 vote) that the Council's policy decision be to:
  - Move the George Washington bust to an alternative location, and
  - Add a bilingual plaque that outlines a broad historical perspective about George Washington.

# Recommendation

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In accordance with feedback received from community members, it is recommended that the Council adopt a resolution directing staff to:

1. Keep the George Washington bust in its current location in the City Plaza
2. Add a bilingual plaque on the podium of the bust that describes a broad historical perspective about George Washington

# Alternatives

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Based on survey results and community input, options include:

- Take no action and keep the bust where it is.
- Move the bust to be displayed in another location and also add a plaque, as recommended by the Parks and Recreation Commission.
- Remove the bust and do not display in anywhere.
- Do not take action at this time and determine what other information needs to be gathered before deciding on next steps.

# Questions?

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