

# City of Capitola Agenda

Mayor: Sam Storey  
Vice Mayor: Dennis Norton  
Council Members: Ed Bottorff  
Stephanie Harlan  
Michael Termini  
Treasurer: Christine McBroom



**REVISED**

## **CAPITOLA CITY COUNCIL REGULAR MEETING**

**THURSDAY, JUNE 12, 2014**

**CITY HALL COUNCIL CHAMBERS  
420 CAPITOLA AVENUE, CAPITOLA, CA 95010**

**CLOSED SESSION – 6:00 PM  
CITY MANAGER’S OFFICE**

*An announcement regarding the items to be discussed in Closed Session will be made in the City Hall Council Chambers prior to the Closed Session. Members of the public may, at this time, address the City Council on closed session items only. There will be a report of any final decisions in City Council Chambers during the City Council's Open Session Meeting.*

**PUBLIC EMPLOYEE PERFORMANCE EVALUATION** (Govt. Code §54957)  
City Council's Performance Evaluation of the City Attorney

**CONFERENCE WITH LEGAL COUNSEL - PENDING LITIGATION** [Govt. Code §54956.9(A)]  
Rae Ellen Leonard vs. the City of Capitola et al. [United States District, Case #C13-3714]

**CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION** (Govt. Code §54956.9)  
One case to be discussed.

**REGULAR MEETING OF THE CAPITOLA CITY COUNCIL – 7:00 PM**

*All matters listed on the Regular Meeting of the Capitola City Council Agenda shall be considered as Public Hearings.*

**1. ROLL CALL AND PLEDGE OF ALLEGIANCE**

Council Members Stephanie Harlan, Dennis Norton, Ed Bottorff, Michael Termini, and Mayor Sam Storey

**2. PRESENTATIONS**

A. Introduction of Senior Accountant, Danielle Grindy.

**3. REPORT ON CLOSED SESSION**

**4. ADDITIONAL MATERIALS**

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

A. 10.C.

DETAILS:

Communications received.

**5. ADDITIONS AND DELETIONS TO AGENDA**

**6. PUBLIC COMMENTS**

*Oral Communications allows time for members of the Public to address the City Council on any item not on the Agenda. Presentations will be limited to three minutes per speaker. Individuals may not speak more than once during Oral Communications. All speakers must address the entire legislative body and will not be permitted to engage in dialogue. All speakers are requested to print their name on the sign-in sheet located at the podium so that their name may be accurately recorded in the minutes. A MAXIMUM of 30 MINUTES is set aside for Oral Communications at this time.*

**7. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS**

*City Council Members/City Treasurer/Staff may comment on matters of a general nature or identify issues for staff response or future council consideration.*

**8. BOARDS, COMMISSIONS AND COMMITTEES APPOINTMENTS**

A. Consider an Appointment to the Community Action Board of Santa Cruz County, Inc.

RECOMMENDED ACTION:

Confirm appointment.

**9. CONSENT CALENDAR**

*All items listed in the "Consent Calendar" will be enacted by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Council votes on the action unless members of the public or the City Council request specific items to be discussed for separate review. Items pulled for separate discussion will be considered following General Government.*

*Note that all Ordinances which appear on the public agenda shall be determined to have been read by title and further reading waived.*

## CAPITOLA CITY COUNCIL REGULAR MEETING - Thursday, June 12, 2014

- A. Consider approving the May 21, 2014, Special Budget Session Minutes; and the May 22, 2014, City Council Regular Meeting Minutes.  
RECOMMENDED ACTION:  
Approve Minutes.
- B. Receive Planning Commission Action Minutes for the Regular Meeting of June 5, 2014.  
RECOMMENDED ACTION:  
Receive minutes.
- C. Consider an Ordinance amending Chapter 8.07 of the Capitola Municipal Code (reduction of single-use plastic and paper carryout bags) to change the thickness requirement of plastic reusable bags [2nd Reading].  
RECOMMENDED ACTION:  
Adopt Ordinance.
- D. Receive the Third Quarter Budget Report and Second Quarter Sales Tax Report.  
RECOMMENDED ACTION:  
Receive Reports.
- E. Consider adopting a Resolution of Intention to Levy Business Improvement Assessments for Fiscal Year 2014-2015, which receives the Capitola Village and Wharf Business Improvement Area Annual Report and the proposed Fiscal Year 2014-2015 Budget; sets a public hearing to receive oral or written protests on the levy of assessments for Fiscal Year 2014-2015 for Thursday, June 26, 2014; and directs required noticing of the public hearing by the City Clerk and the Capitola Village and Wharf Business Improvement Area.  
RECOMMENDED ACTION:  
Adopt Resolution, receive annual report, and set public hearing for June 26, 2014.
- F. Consider a Resolution setting the 2014-2015 Fiscal Year Appropriation Limit pursuant to Article XIII B of the California Constitution.  
RECOMMENDED ACTION:  
Adopt Resolution.

### 10. GENERAL GOVERNMENT / PUBLIC HEARINGS

*General Government items are intended to provide an opportunity for public discussion of each item listed. The following procedure is followed for each General Government item: 1) Staff explanation; 2) Council questions; 3) Public comment; 4) Council deliberation; 5) Decision.*

- A. Consider adopting a Resolution approving the proposed 2014/2015 Fiscal Year Budget for the City of Capitola General Fund, the Capitola Successor Agency, and the Capital Improvement Budgets.  
RECOMMENDED ACTION:  
Adopt Resolution.
- B. Consider appointing Anthony Condotti as City Attorney effective April 1, 2015; and consider approving the fourth amendment to the Agreement for City Attorney Services with Atchison, Barisone, Condotti & Kovacevich in the amount of \$133,560.  
RECOMMENDED ACTION:  
Approve Agreement.

## CAPITOLA CITY COUNCIL REGULAR MEETING - Thursday, June 12, 2014

- C. Review Open Streets in the Village held on May 4, 2014.  
RECOMMENDED ACTION:  
Discuss and provide direction.
  
- D. Consider applying for the World Surfing Reserves status for Capitola, and submitting a letter of inquiry.  
RECOMMENDED ACTION:  
Discuss and provide direction.
  
- E. Designation of Voting Delegate for the League of California Cities Annual Conference in Los Angeles, California, from September 3 to 5, 2014.  
RECOMMENDED ACTION:  
Confirm the designation of Voting Delegates.

### 11. ADJOURNMENT

Adjourn to the next Special Budget Study Session of the City Council on Thursday, June 19, 2014, at 6:00 PM, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

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

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

**Agenda and Agenda Packet Materials:** The City Council Agenda and the complete Agenda Packet are available for review on the City’s website: [www.cityofcapitola.org](http://www.cityofcapitola.org) and at Capitola City Hall and at the Capitola Branch Library, 2005 Wharf Road, Capitola, on the Monday prior to the Thursday meeting. Agendas are also available at the Capitola Post Office located at 826 Bay Avenue, Capitola. Need more information? Contact the City Clerk’s office at 831-475-7300.

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

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

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

Deiter, Michele

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Subject: FW: June 12th Additional Material (Open Streets)

From: Capitola Village Businesses [<mailto:capitolavillage@aol.com>]  
Sent: Sun 6/8/2014 5:06 PM  
To: Sneddon, Su; Jesberg, Steve  
Subject: BIA open streets survey for june 12 meeting

Re: Open Streets 2014

Capitola City Council,

In general the retail businesses had sales below average while the food service businesses did the same or better compared to a comparable Sunday last year. Compared to the prior day, Saturday (5/3) both retail and food service sales were noticeably lower. Obviously every event cannot be successful for all businesses; for future permitting, this event should be acknowledged as an event for the benefit of the community and not a boost for the businesses, although some did benefit. Sidewalk sales were successful but not every business is able to participate in a sidewalk sale for various valid reasons.

The consensus seems to be that the event coordinator, Saskia from Open Streets, needs to do more planning. Other than the parents who brought their children to the bike rodeo, which they enjoyed a lot, the comments from attendees were mainly that there was not enough to do. They were expecting more than just walking in the street. None of the businesses want to see food or retail vendors brought in from outside the village. The suggestion is that if the event goes on, more performances need to be brought in if we expect people to come back year after year.

Because of the difficult layout having to close so many streets, much of the village felt like a ghost town. That's neither good for business nor fun for the visitor looking for some special activity. The hotel in particular received negative feedback because guests needed to walk long distances with their luggage. Some restaurants received negative feedback because handicap parking was not available close to the restaurants.

Capitola is not like San Francisco or San Jose or even Santa Cruz. In fact Open Streets in these cities is generally not in a business district. Most residents of Capitola walk their neighborhoods in the middle of the street every day; do they really need Open Streets to get to the beach? If they do, we ask that you consider it a community day, which is not located in the business district, perhaps Cliff Drive.

In general while the merchants would generally support such an event to benefit the community it should be held in the October/November time frame and possibly in another location.

Capitola Village and Wharf Business Improvement Association

**Sneddon, Su**

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**From:** Molly Ording [molly.ording@icloud.com]  
**Sent:** Thursday, June 12, 2014 1:21 PM  
**To:** City Council  
**Subject:** Re: Open Streets, Car Show & Functions Involving Closing of the Esplanade & Adjacent Streets!

Good Gorgeous Capitola Day City Council Members!

It has come to my attention that you have recently received some negative comments (totally contrary, BTW, to the community wide survey that was “officially and meticulously” undertaken) with regard to the Open Streets Day!

These wonderful days that our community embarks upon that show a beautiful and different face of our village to new visitors and patient residents and that also, not inconsequentially FILL our new parking lot, **should be embraced and enlarged upon**...not degraded or diminished, as has long and consistently been the pattern by some few myopic merchants! I, for one, and I could gather literally 100's of other residents who absolutely agree, are in complete support of any function that ever makes our beautiful and charming village available without the traffic, congestion and noise that we seasonally and predictably endure!

Cheers for these events - and let's do more!!! It has been proven that this is what residents and visitors appreciate...over and over again! Our new parking lot, filled on those days, speak to this popularity and....prosperity!

And, by the way, as a member of the Parking and Traffic Commission who, among others, has shepherded this whole parking expansion through (with a great deal of trepidation and serious consideration), it is time for any merchant who has not paid not a penny for this addition, **which solely benefits their businesses**, to stop acting and thinking in these passé, obstructionist mind-sets and embrace the present and the future... Pedestrian-friendly, bike, pet and family friendly places to reach and linger in and enjoy! IN FACT, instead of complaining, they should be bloody well grateful for a community that has given them their precious parking (hasn't THAT been the source of all their complaints throughout the years...**”not enough parking?”**) for NOT one cent out of their pockets!

I, for one, am getting weary of *just a few* strident voices that have, for **so** long, impeded this village from getting into this century and offering visitors and residents what we all love and appreciate - pedestrian, car-free opportunities to enjoy Capitola's charm, vistas, our beach and, yes, our businesses too! But..businesses also need to be reminded, perhaps, that they need to function in harmony with the wishes and will of the community at large and of the City of Capitola - NOT the other way around!

Thanks, as always, to each of you for consideration!

Most sincerely,

Molly Ording  
218 Monterey  
Capitola, Ca. 95010

**Sneddon, Su**

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**From:** TJ WELCH [noworries4tj@mac.com]  
**Sent:** Thursday, June 12, 2014 1:47 PM  
**To:** Sneddon, Su  
**Subject:** Re: World Surfing Reserves (TJ Welch)

Thank you for taking the time to ask my opinion of the World Surfing Reserves and the city's involvement. As an individual and one that enjoys our local surf break, I both support and appreciate the commitment that Save The Waves Coalition is taking to protect the waters and surf breaks. However, as a city it would be a duplication in effort of other organizations we support financially, such as Save Our Shores.

In addition, unlike many other countries and regions I believe the fact that we are fortunate enough to be encompassed by the Monterey Bay National Marine Sanctuary we have a huge upper hand in protecting our surf break. Monterey Bay National Marine Sanctuary has both regulatory and enforcement ability to assist us in protecting our waters, which many other parts of the world cannot benefit from. Based on that fact, I see no need for the City of Capitola to partner financially with Save the Waves Coalition.

In regard to being part of the World Surfing Reserves specifically, I also see no direct benefit to the City. I do believe that partnering with the World Surfing Reserve makes a statement, but none that the City cannot do on it's own. Recognizing our surf break as a natural resource and protecting it is something I totally support and I would hope the City would embrace. I do see it's advantage as a marketing tool, but once again there are so many alternatives . One that comes to mind is the relationship the city has with Surfline and the surf cam.

Finally, I hope the City recognizes that funding more organizations alone will not benefit our surf community. Our commitment to work with the local surf community and those organizations already in place, such as Save Our Shores and the Monterey Bay National Marine Sanctuary is a benefit that most countries could only hope for.

Thanks again for an opportunity to share my thoughts.

Respectfully,  
TJ Welch

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# CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 12, 2014

FROM: CITY CLERK'S OFFICE  
SUBJECT: CITY COUNCIL APPOINTMENT TO THE COMMUNITY ACTION BOARD  
OF SANTA CRUZ COUNTY, INC

**RECOMMENDED ACTION:** Mayor appointment, with City Council ratification, of Capitola's representative to the Community Action Board of Santa Cruz County, Inc. (CAB).

**BACKGROUND:** Pursuant to the bylaws of the CAB Board, "five of its directors shall be currently elected public officials or their representatives, appointed by the following bodies: City of Santa Cruz, City of Watsonville, City of Capitola and two (2) members appointed by the Santa Cruz County Board of Supervisors, one of whom shall be the County-at-Large member." Cynthia "Fin" Finley was appointed to serve as the City's representative to the CAB in January 2013. On April 24, 2014, the City received a letter of resignation from Cynthia Finley effective June 1, 2014 (Attachment 1).

**DISCUSSION:** As a result of this resignation, staff was directed to conduct recruitment for a Capitola resident to serve as the City's representative on the CAB Board. Recruitment notices were posted at City Hall and the Capitola Branch Library, scrolled on Charter Community Channel 8, on the website, and press releases issued to local publications (Attachment 2). The deadline for applications was Wednesday, May 21, 2014.

An application was received from Jacques Bertrand by the May 21, 2014, application deadline, and a second application was received from Kristen Petersen after the close of the application period. George "Bud" Winslow has offered to continue as the alternate representative.

**FISCAL IMPACT:** None

**ATTACHMENTS:**

1. Letter of Resignation from Cynthia "Fin" Finley dated April 24, 2014
2. Vacancy Notice
3. Application from Jacques Bertrand
4. Application from Kristen Petersen

Report Prepared By: Susan Sneddon, CMC  
City Clerk

Reviewed and Forwarded  
By City Manager: 

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April 24, 2014

C. D. "Fin" Finley  
870 Park Avenue  
apt 312  
Capitola CA 95010  
831-207-6187

Susan Sneddon, City Clerk  
City of Capitola  
420 Capitola Avenue  
Capitola, CA 95010  
Phone: 831-475-7300

Dear Su,

Thank you for your note of support in this process and please extend to Stephanie Harlan, to Sam Storey and to the entire City Council my regrets in not being able to serve further due to family reasons.

**Effective June 1, 2014**, I will be leaving the Board of Directors of the Community Action Board of Santa Cruz County (CAB) as the City of Capitola representative. It has been a privilege to serve on this Board and I value the relationships and experiences I have been afforded through this connection. I was able to support the Board by leading the Succession Planning Committee, the Fund Development Committee and serving as Vice Chair. The experience of serving has brought me closer to Capitola and its mission and to CAB's mission to support those affected by poverty. While after June 1st I will not be officially engaged as a volunteer, I do hope you will call upon me from time to time as the need arises, for my heart truly stays both with CAB and with the City of Capitola. If you have any questions, please do not hesitate to be in touch.

Sincerely,  
C. D. "Fin" Finley  
Vice Chair, Community Action Board of Santa Cruz County

cc: Amy Locks, Board Chair  
cc: MariaElena De La Garza, Executive Director of CAB

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**CABINC.ORG**

The Shelter Project (TSP) • CALWORKS Emergency Payment Program • Community Restoration Project (CRP)  
Davenport Resource Service Center (DRSC) • Day Worker Center of Santa Cruz County • Gemma  
Santa Cruz County Immigration Project (SCCIP) • Women Ventures Project (WVP)

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**CITY OF CAPITOLA**  
420 Capitola Avenue  
Capitola, CA 95010  
(831) 475-7300  
FAX (831) 479-8879

**APPLICATIONS FOR APPOINTMENT FOR:**

**Capitola Representative on the  
Community Action Board of Santa Cruz County, Inc.**

**NOTICE IS HEREBY GIVEN**, that the City of Capitola is seeking applications for its representative on the Community Action Board of Santa Cruz County, Inc., (CAB). The mission of the CAB is to advocate for, coordinate, and administer community programs to combat poverty and the causes of poverty in Santa Cruz County.

The CAB meets on the third Wednesday of each month at 6:00 p.m. Meetings are held at the Aptos-La Selva Fire District Station at 6934 Soquel Avenue, Aptos. Specific questions regarding the Board can be directed to MariaElena de la Garza, Executive Director at 763-2147, Ext. 203.

Upon review of the applications received, the Mayor will make an appointment at the Regular Meeting of the City Council on May 29, 2014.

**Application Deadline: May 21, 2014**

Applications may be obtained at Capitola City Hall, 420 Capitola Avenue, or by calling (831) 475-7300 and requesting an application be sent to you. In addition, a notice with an application form is available on the City's website (for printing) at [www.cityofcapitola.org](http://www.cityofcapitola.org) under "What's New" and then "View All News".

I, Susan Sneddon, City Clerk of the City of Capitola, California, hereby certify that the above Notice was posted on April 25, 2014.

Dated: April 25, 2014

Susan Sneddon, CMC  
City Clerk

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Application from Jacques Bertrand  
Community Action Board Santa Cruz Co.

# CITY of CAPITOLA BOARDS AND COMMISSIONS APPLICATION

Citizens are encouraged to serve on the various City Boards, Committees, and Commissions. Appointments are made at a public City Council meeting.

Application for:

- Art & Cultural Commission  
*[Artist; Arts Professional; At Large Member]*  
*Please underline category above.*
- Finance Advisory Committee  
*[Business Representative; At Large Member]*  
*Please underline category above.*
- Historical Museum Board
- Architect & Site Committee  
*[Architect; Landscape Architect; Historian]*  
*Please underline category above.*
- Traffic & Parking Commission  
*[Village Resident; Village Business Owner; At Large Member]*  
*Please underline category above.*
- Planning Commission
- Other Committee LAB of SCC

Name: BERTRAND JACQUES

Telephone: 831.476.5100  
*Home Business Cell*

E-mail Address: \_\_\_\_\_

Physical Address of Residence: 601 Monterey Ave.

Mailing Address: \_\_\_\_\_

Business Address: \_\_\_\_\_

Occupation: \_\_\_\_\_

Are you a resident of the City of Capitola? Yes  No

Describe your qualifications and interest in serving on this Board/Commission/Committee: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Use additional paper, if necessary)

**Please Note:** Appointment to this position may require you to file a conflict of interest disclosure statement with the City Clerk. This information is a public record and these statements are available to the public on request.

5.21.14  
Date

Jacques Bertrand  
Signature of Applicant

Mail or Deliver Application to:  
Capitola City Hall  
Attn: City Clerk

420 Capitola Avenue, Capitola, CA 95010

For questions please call the City Clerk at (831) 475-7300

MAY 21 2014  
CITY OF CAPITOLA  
CITY CLERK

**Item #: 8.A. Attach 3.pdf**

City of Capitola  
420 Capitola Avenue  
Capitola, CA  
5/21/2014

Mr. Mayor & City Council Members,

I seek appointment to the Community Action Board (CAB) of Santa Cruz County as the representative for this City of Capitola.

I desire to be Capitola's advocate for programs that address issues of poverty in this City and in Santa Cruz County.

Our youth, seniors, those who are isolated, and many seeking employment look to this agency for support. For example, CAB's Community Restoration Project (CRP) can make a significant difference in the life of a recently incarcerated young person. Due to my recent involvement with youth incarcerated at the Santa Cruz County Juvenile Hall, I understand how this program in particular helps our community. CAB offers a multitude of such programs. I will look for areas that need new approaches and efforts responsive to changing conditions in our society.

I have knocked on many doors in Capitola and talked with a broad cross section of our City's population, this experience and a continuous involvement in community issues for many years places me in an excellent position to represent Capitola and be responsive to our community's needs.



Jacques Bertrand  
601 Monterey Avenue  
Capitola, CA  
[jacques.bertrand@sbcglobal.net](mailto:jacques.bertrand@sbcglobal.net)  
831-476-5160 home  
831-247-6199 cell



RECEIVED

MAY 28 2014



CITY OF CAPITOLA

**CITY of CAPITOLA  
BOARDS AND COMMISSIONS APPLICATION**

Citizens are encouraged to serve on the various City Boards, Committees, and Commissions. Appointments are made at a public City Council meeting.

Application for:

- Art & Cultural Commission  
*[Artist; Arts Professional; At Large Member]*  
*Please underline category above.*
- Finance Advisory Committee  
*[Business Representative; At Large Member]*  
*Please underline category above.*
- Historical Museum Board
- Architect & Site Committee  
*[Architect; Landscape Architect; Historian]*  
*Please underline category above.*
- Traffic & Parking Commission  
*[Village Resident; Village Business Owner; At Large Member]*  
*Please underline category above.*
- Planning Commission
- Other Committee community Action Board

Name: Petersen Kristen M  
Last First M.I.  
 Telephone: 831-435-0806 831-435-0806  
Home Business Cell

E-mail Address: ladykpetersen@gmail.com  
 Physical Address of Residence: 207 Oakland Ave, #2, Capitola, CA 95010

Mailing Address: \_\_\_\_\_  
 Business Address: \_\_\_\_\_

Occupation: Congressional Aide

Are you a resident of the City of Capitola? Yes  No

Describe your qualifications and interest in serving on this Board/Commission/Committee:  
I have a desire to be of service to my community in any way I can. my family is from Capitola and I am proud to continue to live in such an amazing community.

(Use additional paper, if necessary)

**Please Note:** Appointment to this position may require you to file a conflict of interest disclosure statement with the City Clerk. This information is a public record and these statements are available to the public on request.

05/21/14  
Date

Kristen Petersen  
Signature of Applicant

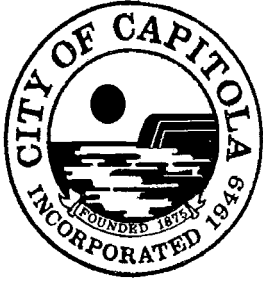
Mail or Deliver Application to:

Capitola City Hall  
Attn: City Clerk

420 Capitola Avenue, Capitola, CA 95010

For questions please call the City Clerk at (831) 475-7300

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# CITY COUNCIL AGENDA REPORT

## MEETING OF JUNE 12, 2014

FROM: OFFICE OF THE CITY CLERK

SUBJECT: MINUTES OF THE MAY 21, 2014, SPECIAL BUDGET SESSION; AND  
THE MAY 22, 2014, REGULAR CITY COUNCIL MEETING

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**RECOMMENDED ACTION:** Approve the subject minutes as submitted.

**DISCUSSION:** Attached for City Council review and approval are the minutes of the subject meeting.

**ATTACHMENTS:**

1. May 21, 2014, Special Budget Session Minutes
2. May 22, 2014, City Council Regular Meeting Minutes

Report Prepared By: Susan Sneddon, CMC  
City Clerk

Reviewed and Forwarded  
By City Manager: \_\_\_\_\_

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**SPECIAL JOINT MEETING  
CAPITOLA CITY COUNCIL/SUCCESSOR AGENCY  
TO THE FORMER REDEVELOPMENT AGENCY  
JOINT BUDGET STUDY SESSION MINUTES  
WEDNESDAY, MAY 21, 2014 - 6:00 PM**

**1. ROLL CALL AND PLEDGE OF ALLEGIANCE**

Council Members Stephanie Harlan, Dennis Norton, Ed Bottorff, Michael Termini and Mayor Sam Storey

**2. PUBLIC COMMENT** (none provided)

**3. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS**

City Manager Goldstein provided an update regarding the annual lagoon closure and beach grading. He stated that Beach and Village Lot 2 construction will be completed by May 22, 2014.

Council Member Norton stated that Save Our Shores picked up 150 pounds of garage between the Antigua Apartments and the entrance to New Brighton Beach.

Mayor Storey reported on the Monterey Bay Unified Air Pollution Control District projected Fiscal Year 2014/2015 budget deficit.

**4. GENERAL GOVERNMENT / PUBLIC HEARINGS**

A. Presentation of the proposed 2014/2015 Fiscal Year Budget for the City of Capitola General Fund, the Capitola Successor Agency, and an overview of the Capital Improvement Program. [330-05/780-30]

City Treasurer McBroom stated that the City's Finance Advisory Committee (FAC) recommends the following modifications to staff recommended distribution of the projected General Fund surplus: Reduce \$25,000 from the proposed Facility Reserve Fund and be placed in Reserves; resulting in \$200,000 in Capital Improvement Programs, \$75,000 in Facilities Reserves, and \$200,000 in Reserves.

Council Member Harlan stated that if City revenues increase funding to the Community Based Health and Human Service Providers should increase. She also suggested the following: (1) Establishing a Council ADA subcommittee to review the City's current ADA plan and bring recommendations to the City Council; (2) provide funding for the Capitola Library's 15-year birthday celebration; (3) installation of video cameras along the 41<sup>st</sup> Avenue for the Streetscape Public Art Project; and (4) establish a goal for public disaster preparation education.

Council Member Norton suggested that a City Council subcommittee spend approximately six months in establishing a method for funding the Community Based Health and Human Service Providers. He also suggested the following: (1) Establish a funding mechanism to increase wharf maintenance funding; (2) Allocate funding for ADA improvements and provide direction to staff for the development of an ADA plan; (3) Increase funding in the Parking Reserve Fund.

Council Member Bottorff stated that he supports the Esplanade Water Reclamation Project. He stated concerns regarding taking funds from the Facilities Fund. He supports a two-year program for funding the Community Based Health and Human Service Providers, and he supports the establishment of a six-month grant funding formula review process.

Council Member Termini stated concerns regarding any perceived rise in the number of City employees, specifically in the Community Development and the Finance Departments. He suggested reducing the City's General Plan Update and Maintenance Fee to half the amount. He suggested the following: (1) Parking Enforcement and Public Safety budgets be separated; (2) City's cash flow be projected out for next fiscal year; (3) not to overlook the potential of reducing debt that costs the City significant money; and (4) supports establishing a baseline for funding the Community Based Health and Human Service Providers with COLA's provided on an annual basis.

Mayor Storey suggested the following: (1) Establish a goal for the Facilities Fund; (2) Perform a close review of the funding for the Community Based Health and Human Service Providers, and consider a formula based approach and provide an annual COLA.

5. **ADDITIONAL MATERIALS** (None provided)

6. **ADJOURNMENT**

Mayor Storey adjourned the meeting at 8:05 p.m. to the next Regular Meeting of the City Council on Thursday, May 22, 2014 at 7:00 PM, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

\_\_\_\_\_  
Sam Storey, Mayor

ATTEST:

\_\_\_\_\_, CMC  
Susan Sneddon, City Clerk

**CAPITOLA CITY COUNCIL  
REGULAR MEETING MINUTES  
THURSDAY, MAY 22, 2014**

**CLOSED SESSION – 5:45 PM  
CITY MANAGER’S OFFICE**

**CALL TO ORDER**

Mayor Storey called the meeting to order at 5:45 PM. He announced the items to be discussed in Closed Session, as follows:

**PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Govt. Code §54957)**

City Council’s Performance Evaluation of the City Attorney

**CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Govt. Code § 54956.8)**

Property: New Brighton Middle School Gymnasium (City of Capitola, Owner)

City Negotiator: City Manager

Negotiating Parties: City of Capitola; Soquel Union Elementary School District

Under Negotiation: Real Property Sale

Mayor Storey noted that there was no one in the audience; therefore, the City Council recessed at 5:47 p.m. to the Closed Session in the City Manager’s Office.

**REGULAR MEETING OF THE CAPITOLA CITY COUNCIL – 7:00 PM**

**1. ROLL CALL AND PLEDGE OF ALLEGIANCE**

Council Members Stephanie Harlan, Dennis Norton, Ed Bottorff, Michael Termini, and Mayor Sam Storey

**2. PRESENTATIONS**

A. Mayor’s Proclamation designating May 2014 as “Clean Air” Month.  
[120-40]

Received by Todd Muck, Senior Planner, Association of Monterey Bay Area Governments.

B. Presentation by Ron Graves, City representative on the Santa Cruz Metropolitan Transit District Board (Metro); and introduction of Alex Clifford, the new CEO for Metro. [1170-10]

Alex Clifford, the new CEO for Metro was introduced.

Ron Graves, City representative on the Metro Board, provided a brief review of Metro’s current developments.

**3. REPORT ON CLOSED SESSION**

City Attorney Barisone stated that City Council received a report regarding the City Council’s Performance Evaluation of the City Attorney; no reportable action was taken in closed session. In addition, the Council discussed with the City Attorney and the City Manager the ongoing discussion regarding the New Brighton Middle School Gymnasium lease negotiations; Council provided direction; there was no reportable action.

**CAPITOLA CITY COUNCIL MEETING MINUTES - Thursday, May 22, 2014**

**4. ADDITIONAL MATERIALS**

Mayor Storey reviewed several emails regarding the proposed fireworks show [Item 10.A.] received after the posting of the agenda.

**5. ADDITIONS AND DELETIONS TO AGENDA (None provided)**

**6. PUBLIC COMMENTS**

Al Carlson, City representative on Advisory Council to the Area Agency on Aging of the Santa Cruz and San Benito Counties, stated that May is National Senior Center Month.

**7. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS**

Council Member Termini stated that the Capitola Rod & Custom Classic Car Event will be on June 7<sup>th</sup> and June 8<sup>th</sup> in the Village.

**8. BOARDS, COMMISSIONS AND COMMITTEES APPOINTMENTS**

A. Consider the Library Ad Hoc Committee membership, and consider appointment(s) to the Committee. [230-10]

The following applicants expressed an interest in becoming a member of the Library Ad Hoc Committee:

- Sandra Sandoval
- Beau Kayser

**ACTION**

**Motion made by Council Member Norton, seconded by Council Member Termini, to set the Library Ad Hoc Committee membership at ten members, and to appoint the following to the Library Ad Hoc Committee (1) Beau Kayser; (2) Sandra Sandoval; and (3) Rebecca (Wallo) Hobson. The motion carried with the following vote: AYES: Council Members Bottorff, Norton, Termini, and Mayor Storey. NOES: Council Member Harlan. ABSENT: None. ABSTAIN: None.**

**9. CONSENT CALENDAR**

A. Consider approving the City Council Minutes of the Regular Meeting held on May 8, 2014.

B. Approval of City Check Register Reports dated April 18, 2014; April 25, 2014; May 2, 2014; and May 9, 2014. [300-10]

C. Consider an Administrative Policy to amend the Board, Commission and Committee Guide Procedures. [110-10]

D. Consider approving a Right of Entry Agreement allowing the Santa Cruz County Sanitation District to enter three parcels owned by the City for the purposes of constructing the Noble Gulch Sewer Project, and authorize the Public Works Director to sign on behalf of the City. [900-20/500-10 A/C: Santa Cruz County]

Mayor Storey asked about a proposed section of the Board, Commission and Committee Guide Procedures [Item 9.C. Administrative Policy] which states "once submitted, an email or letter of resignation cannot be withdrawn." He requested the reasoning for this amendment to this Administrative Policy.

Note: City Clerk Sneddon revised this Administrative Policy to read as follows: "once submitted, an email or letter of resignation cannot be



## CAPITOLA CITY COUNCIL MINUTES – Thursday, May 22, 2014

withdrawn unless overturned by the City Manager.”

Council Member Norton questioned the City’s credit card payment included in the Check Register Report [Item 9.B.].

City Manager Goldstein replied that this credit card payment related to work completed at Beach and Village Lot 2.

**ACTION**      **Motion made by Council Member Termini seconded by Council Member Bottorff, to approve the following Consent Calendar items: 9.A.; 9.B.; 9.C.; and 9.D. The motion was passed unanimously.**

**10. GENERAL GOVERNMENT / PUBLIC HEARINGS**

- A. Consider the approval of a fireworks show on October 16, 2014, in the Capitola Village by the Monte Foundation; and authorize the City Manager to issue a special event permit. [485-10/1050-70]

Carin Hanna, Capitola Village & Wharf Business Improvement Area Advisory Committee (CVWBIA) Secretary, stated that the CVWBIA will be meeting in the near future regarding the proposed October 16<sup>th</sup> fireworks show.

Marc Monte, Monte Foundation representative, provided a brief presentation regarding the impact of a fireworks show in the Village.

Tory Del Favero, Soquel Union Elementary School District Board member, spoke in favor of the fireworks show and asked the City Council to consider school fundraisers.

Jeff Maxwell, Central Fire Protection District Fire Chief, supports the proposed fireworks show.

Ron Graves, local citizen, encouraged the City to have a “safe and sane” fireworks show.

**ACTION**      **Motion made by Council Member Norton, seconded by Council Member Termini, to approve a fireworks show in the Capitola Village by the Monte Foundation, and authorize the City Manager to issue a special event permit; the Council directed staff to work with the Monte Foundation, the Capitola Village & Wharf Business Improvement Area Advisory Committee, and the Soquel Union School District to make a determination regarding the logistics and the night of the week the fireworks show will be held. The motion carried unanimously.**

- B. Consider an Ordinance amending Chapter 8.07 of the Capitola Municipal Code (reduction of single-use plastic and paper carryout bags) to change the thickness requirement of plastic reusable bags [1st Reading]. [930-30]

Brad Hunt, Save Our Shores Program Manager, provided survey information regarding various types of plastic bags distributed by retailers in the City.

Ron Graves, local citizen, stated that he supports the proposed Ordinance. He suggested not charging \$0.25/bag.

**ACTION**      **Motion made by Council Member Norton, seconded by Council Member Bottorff, to approve the first reading of an Ordinance**

CAPITOLA CITY COUNCIL MEETING MINUTES - Thursday, May 22, 2014

amending Chapter 8.07 of the Capitola Municipal Code (reduction of single-use plastic and paper carryout bags) to change the thickness requirement of plastic reusable bags. The motion carried unanimously.

- C. Consideration of a contract with Gene Bregman and Associates in an amount not to exceed \$10,000 for a public opinion poll. [160-50/500-10 A/C: Gene Bregman and Associates]

**ACTION** Motion made by Council Member Termini, seconded by Council Member Bottorff, to approve a contract with Gene Bregman and Associates in an amount not to exceed \$12,000 for a public opinion poll; and to include a question if the public would support a transient occupancy tax increase from 10% to 11%. The motion carried with the following vote: **AYES:** Council Members Bottorff, Norton, Termini, and Harlan. **NOES:** Mayor Storey. **ABSENT:** None. **ABSTAIN:** None.

- D. Zoning Ordinance work plan. [730-85]

**ACTION** Motion made by Council Member Harlan, seconded by Council Member Bottorff, to accept the Zoning Ordinance work plan report. The motion carried unanimously.

11. **ADJOURNMENT**

Adjourned at 9:22 p.m. to the next Special Budget Study Session of the City Council on Thursday, May 29, 2014 at 6:00 PM, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

ATTEST:

\_\_\_\_\_, CMC  
Susan Sneddon, City Clerk

\_\_\_\_\_  
Sam Storey, Mayor



**ACTION SUMMARY MINUTES  
CAPITOLA PLANNING COMMISSION  
THURSDAY, June 5, 2014  
7 P.M. CITY COUNCIL CHAMBERS**

**1. ROLL CALL AND PLEDGE OF ALLEGIANCE**

Commissioners: Ron Graves, Mick Routh, Linda Smith and TJ Welch  
Absent: Gayle Ortiz

**2. ORAL COMMUNICATIONS**

- A. Additions and Deletions to Agenda
- B. Public Comments
- C. Commission Comments
- D. Staff Comments

**3. APPROVAL OF MINUTES**

- A. May 1, 2014, Draft Planning Commission Minutes

**ACTION: Approved 4-0**

**4. CONSENT CALENDAR**

- A. **138 Cabrillo St #14-071 APN: 036-182-08**

Fence Permit application with request for an exception to the required 5-foot setback for a 30 inch tall fence on a corner lot located in the R-1 (Single-Family Residential) Zoning District.

This project is in the Coastal Zone but does not require a Coastal Development Permit.

Environmental Determination: Categorical Exemption

Property Owner: Austin Sherwood

Representative: Chris Chambers, filed: 5/9/14

**ACTION: Approved 4-0**

- B. **116 Stockton Ave. #14-074 APN: 035-23-113**

Conditional Use Permit for a new market with prepared food (Restaurant) and Sale of Alcohol (beer and wine) at 116 Stockton Avenue in the CV (Central Village) Zoning District.

This project is located in the Coastal Zone but is exempt from a Coastal Development Permit.

Environmental Determination: Categorical Exemption

Property Owner: Rickey Felder

Representative: Sholeh K. Westfall, filed 5/20/2014

**ACTION: Pulled from Consent. Approved 3-1**

**5. PUBLIC HEARINGS**

- A. 203 Sacramento Avenue #14-064 APN: 036-125-03  
205 Sacramento Avenue #14-065 APN: 036-125-15**

Design Permit Amendment to modify exterior materials for two new single-family homes located in the R-1 (Single-Family Residential) Zoning District.

Environmental Determination: Categorical Exemption

This application does not require an amendment to the previously issued Coastal Development Permits.

Property Owner of 203 Sacramento: Anna Cierkosz

Property Owner of 205 Sacramento: Nick Cierkosz

Representative: Anna Cierkosz, filed 5/2/14

**ACTION: Approved 3-0 (Welch recused)**

- B. 401/403 Capitola Avenue #13-082 APN: 035-131-11**

Design Permit, Variance, Sign Permit, and Coastal Development Permit to demolish the existing duplex and construct a new two-story commercial building in the CN (Neighborhood Commercial) Zoning District and Floodplain District.

This project requires a Coastal Development Permit which is not appealable to the California Coastal Commission.

Environmental Determination: Categorical Exemption

Property Owner: Starley Moore, filed: 6/17/13

Representative: Derek Van Alstine

**ACTION: Approved 2-1 (Graves recused)**

**6. DIRECTOR'S REPORT**

**7. COMMISSION COMMUNICATIONS**

**8. ADJOURNMENT**

Adjourned at 8:08 p.m. to the next Planning Commission meeting Thursday, July 17, 2014, at 7 p.m., in the Capitola City Council Chambers, 420 Capitola Ave., Capitola, California.



## CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 12, 2014

FROM: OFFICE OF THE CITY CLERK

SUBJECT: ORDINANCE AMENDING CHAPTER 8.07 OF THE CAPITOLA MUNICIPAL CODE  
(REDUCTION OF SINGLE-USE PLASTIC AND PAPER CARRYOUT BAGS) TO  
CHANGE THE THICKNESS REQUIREMENT OF PLASTIC REUSABLE BAGS  
[2ND READING]

---

**RECOMMENDED ACTION:** Adopt the proposed Ordinance amending Chapter 8.07 of the Capitola Municipal Code (reduction of single-use plastic and paper carryout bags) to change the thickness requirement of plastic reusable bags [2nd Reading].

**BACKGROUND:** The draft Ordinance amending Chapter 8.07 pertaining to Single-Use Plastic and Paper Carryout Bag Reduction presented for a second reading. The City Council approved the first reading of this Ordinance at the Council meeting held on May 22, 2014.

The proposed Ordinance is before the City Council for its second reading and final adoption.

**FISCAL IMPACT:** None

**ATTACHMENTS:**

1. Proposed Ordinance

Report Prepared By: Susan Sneddon  
City Clerk

Reviewed and Forwarded  
By City Manager

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ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAPITOLA  
AMENDING CHAPTER 8.07 OF THE CAPITOLA MUNICIPAL CODE  
(REDUCTION OF SINGLE-USE PLASTIC AND PAPER CARRYOUT BAGS)  
TO CHANGE THE THICKNESS REQUIREMENT OF PLASTIC REUSABLE BAGS**

BE IT HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF CAPITOLA AS  
FOLLOWS:

Section 1. Chapter 8.07 of the Capitola Municipal Code is hereby amended to read as follows:

**“CHAPTER 8.07”  
SINGLE-USE PLASTIC AND PAPER CARRYOUT BAG REDUCTION**

Sections:

- 8.07.010 Purpose and Findings
- 8.07.020 Definitions
- 8.07.030 Ban on Plastic Carryout Bags and Store Charge for Single-Use Paper Carryout Bags
- 8.07.040 Implementation
- 8.07.050 Exemptions Allowing Single Use Bags
- 8.07.060 Enforcement
- 8.07.070 Violations
- 8.07.080 Severability
- 8.07.090 Effective Date
- 8.07.100 No Conflict With Federal or State Law
- 8.07.110 Preemption

**8.07.010 Purpose and Findings.**

A. It is the intent of the City of Capitola, in enacting this chapter to eliminate the common use of plastic single-use carryout bags, encourage the use of reusable bags by consumers and retailers, and to reduce the consumption of single-use bags in general.

~~10. State law currently prohibits local jurisdictions from placing fees on single-use checkout plastic bags. Therefore, several Many California Cities have adopted or are pursuing a ban as the most effective remaining means to eliminate the impacts these plastic bags cause. State law does not prohibit jurisdictions from placing fees on plastic or paper bags.~~

**8.07.020 Definitions.**

For the purposes of this Chapter, the following definitions apply:

E. “Reusable bag” means any bag with handles that is specifically designed and manufactured for multiple reuse, and meets the following requirements: 1) is either made of cloth or other washable woven fabric, or made of durable material including plastic that is at least 2.254.0 mils thick; 2) has a minimum lifetime of 125 uses, which for

~~purposes of this subsection, means the capability of carrying a minimum of 22 pounds 125 times over a distance of at least 175 feet; 3) has a minimum volume of 15 liters; 4) is washable; and 5) and 2) does not contain lead, cadmium, or any other heavy metal in toxic amounts. A reusable bag may be made of recyclable plastic such as high density polyethylene (HDPE), low density polyethylene (LDPE), or polypropylene.~~

**8.07.090 Effective date.**

This ordinance shall become effective two (2) months after the date of final passage by the City of Capitola City Council.

This ordinance was introduced on the 22nd day of May, 2014, and was passed and adopted by the City Council of the City of Capitola on the 12<sup>th</sup> day of June, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

\_\_\_\_\_  
Sam Storey, Mayor

ATTEST:

\_\_\_\_\_, CMC  
Susan Sneddon, City Clerk





# CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 12, 2014

FROM: FINANCE DEPARTMENT

SUBJECT: QUARTERLY FINANCIAL REPORTS – THIRD QUARTER BUDGET REPORT  
AND SECOND QUARTER SALES TAX REPORT

---

**RECOMMENDED ACTION:** Receive the Third Quarter Budget Report and Second Quarter Sales Tax Report.

**BACKGROUND:** The City's quarterly reports are typically posted to the City's website in the last week of the month for the preceding quarter. These reports are also placed on the City Council agenda for informational purposes.

**DISCUSSION:** The attached quarterly reports contain information for the following dates:

- Third Quarter Budget Report: January 1 to March 31, 2014.
- Second Quarter Sales Tax Report: October 1 to December 31, 2013.

The Third Quarter sales tax report reflects revenues earned for the period listed above. Sales tax information for the quarter ended March 31, 2014, will not be available until June 2014.

Detailed information on both subjects can be found in the attached documents.

**FISCAL IMPACT:** This action is administrative and should not result in a financial impact.

**ATTACHMENTS:**

1. Third Quarter Budget Report
2. Second Quarter Sales Tax Report

Report Prepared By: Tori Hannah  
Finance Director

Reviewed and Forwarded  
by City Manager: 

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## Budget Report Third Quarter – FY13/14

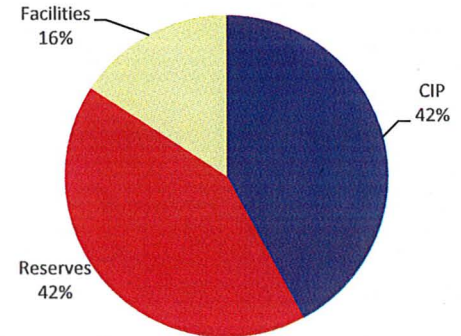
### Overview:

This report summarizes the City's overall financial position for the current fiscal year through March 2014. All revenue and operating expenditure trends are generally on target with annual projections.

### News and Information:

#### **Projected FY 13/14 Fund Balance**

The City is projecting an ending FY 13/14 General Fund balance of \$659,867. This positive fund balance is primarily the result of increased sales tax, transient occupancy tax, and property tax revenues. As part of the Fiscal Year 2014/15 Proposed Budget hearings, Council allocated \$475,000 of the fund balance to reserves, capital improvement projects, and a new Facilities Reserve Fund. The final allocation is provided in the corresponding chart.



#### **Other Post Employment Benefit Trust (OPEB) Fund**

In the FY 13/14 Adopted Budget, the City approved a \$30,000 appropriation to establish an OPEB Trust Fund and \$27,000 to fund current retiree health benefits. To establish the Trust, staff and the Finance Advisory reviewed three potential trust funds in conjunction with the City's most recent actuarial study. Trust funds considered included the California Employer's Retiree Benefit Trust (CERBT), Public Agency Retirement System (PARS), and the International City Manager's Association (ICMA) Trust Funds. After thorough analysis, the City chose the CERBT Fund, which is operated by the California Public Employees Retirement System (CalPERS). The City also elected to contribute an additional \$12,000 to the Trust, which would effectively reduce the City's long-term retiree health liability from \$1,011,800 to \$657,000.

### General Fund:

The fiscal year is 75% complete. The General Fund revenues are 62% of the annual projections, while expenditures are at 73%. While it may appear that revenues aren't performing as projected, this pattern is consistent with prior years and the timing of key revenue receipts. In FY 13/14, increased performance in core revenues and the addition of two partial quarters of Measure O receipts have increased revenues by \$1,107,400 over the prior year. The City's expenditures are fairly consistent with the number of payrolls processed through March 31, 2014; while the amount of transfers reflect 60% of the Measure O and fund balance commitments to reserves and CIP. Additional details are providing in the remaining sections.

General Fund	Budgetary Comparison			Annual Comparison
	Amended Budget	YTD Transactions	Percent	Prior YTD
Beginning Fund Balance	746,836			
Revenues	\$ 14,344,014	\$ 8,879,651	62%	7,772,221
Expenditures	12,197,438	8,937,785	73%	8,527,418
Other Financing Uses - Transfers to Reserves/CIP	2,233,725	750,164	34%	-
FY13/14 Operating Difference	\$ (87,149)	\$ (808,298)		\$ (755,197)
Estimated Ending Fund Balance	\$ 659,687			

**Item #: 9.D. Attach 1.pdf**

**Key Revenues:**

Revenue	Budgetary Comparison			Annual Comparison
	Amended Budget	YTD Transactions	% Used / Rec'd	Prior YTD
<b>Taxes:</b>				
Property Taxes	\$ 1,749,886	\$ 902,965	52%	\$ 874,046
Sales and Use Tax	7,220,605	4,159,975	58%	3,269,585
Document Transfer Tax	34,600	34,577	-	39,171
Business License Tax	280,000	275,263	98%	282,873
Franchise Tax	475,986	203,676	43%	216,759
TOT Tax	1,228,974	853,854	69%	715,408
<b>Subtotal - Taxes</b>	<b>\$ 10,990,051</b>	<b>\$ 6,430,309</b>	<b>59%</b>	<b>\$ 5,397,843</b>
<b>Other:</b>				
Licenses and permits	\$ 235,550	\$ 205,868	87%	\$ 198,763
Intergovernmental revenues	282,268	86,830	31%	133,191
Charges for services	1,999,500	1,590,294	80%	1,410,298
Fines and forfeitures	725,200	480,675	66%	443,614
Use of money & property	34,300	14,105	41%	14,642
Other revenues	77,145	71,570	93%	172,870
Other financing sources	-	-	0%	-
Extraordinary Items	-	-	0%	1,000
<b>Subtotal - Other Revenues</b>	<b>3,353,963</b>	<b>2,449,342</b>	<b>73%</b>	<b>2,374,378</b>
<b>Total Revenues</b>	<b>\$ 14,344,014</b>	<b>\$ 8,879,651</b>	<b>62%</b>	<b>\$ 7,772,221</b>

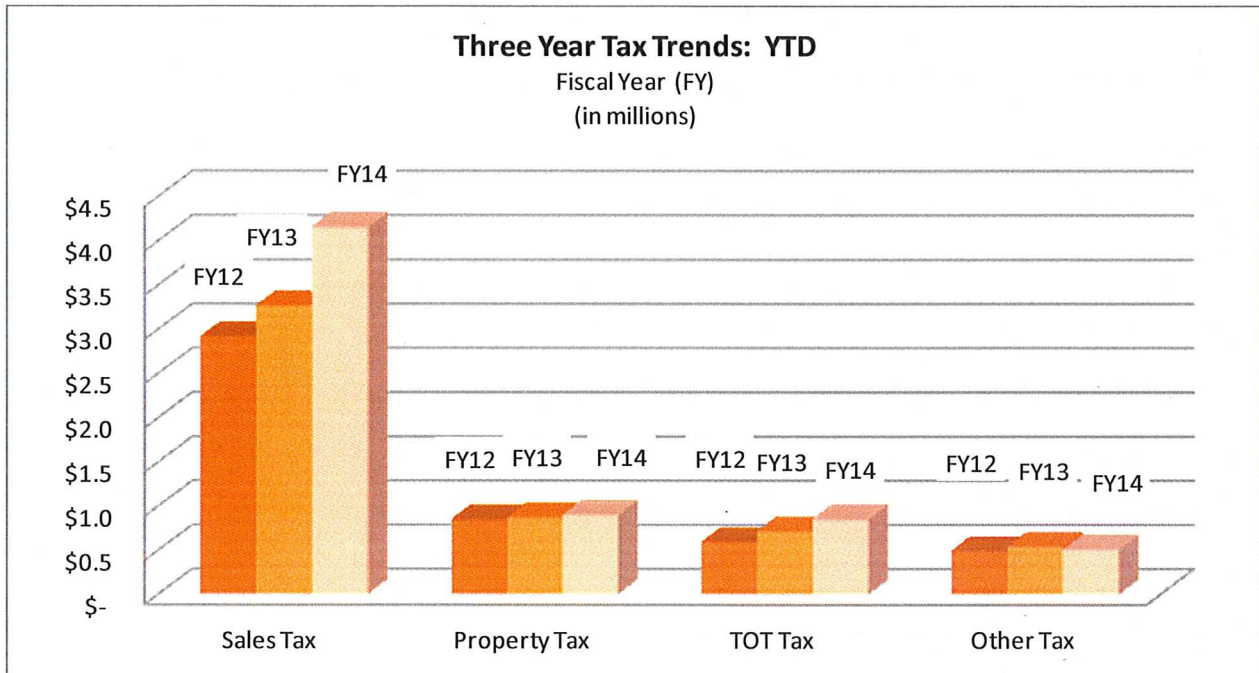
**Taxes:**

The City receives most taxes on alternate schedules; however revenue receipting patterns are consistent with prior years. Due to the timing of revenue receipts only 59% of tax revenues were received in the first three quarters of FY 13/14. This includes almost a full year of business license receipts; less than 27% of third quarter sales tax receipts; and 50% of the estimated property tax revenues. Sales tax receipts are approximately \$890,000 greater than the prior year. Approximately \$589,000 can be attributed to Measure O receipts, \$164,000 related to a greater than typical Triple Flip true-up; and \$137,000 due to general economic improvement. TOT year to date revenues are approximately \$138,000 or 19% greater than the prior year. This increase is primarily due to significant increases in the performance of two hotels, an extended warm weather season, and general economic improvement.

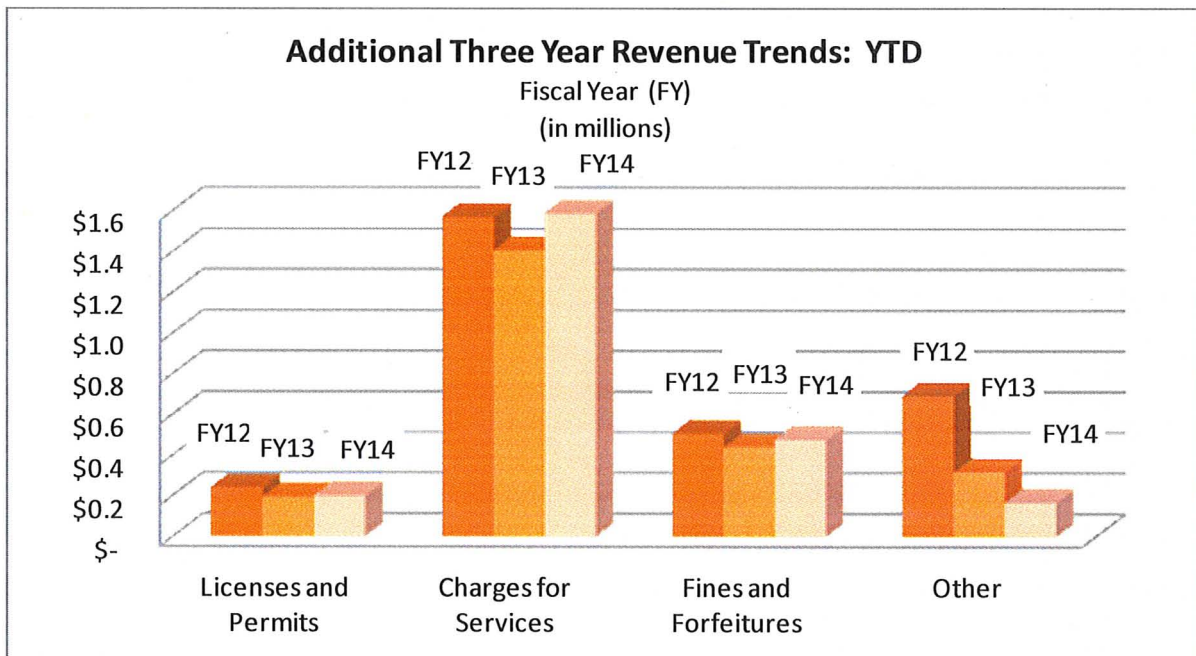
**Charges for Services** – An increase in recreation fees and the timing of classes resulted in a revenue growth of \$68,000. Due to the seasonality of major recreational programs, it may be difficult to project whether this trend will continue through the Fourth Quarter. Additional factors include a \$37,000 increase in parking meter revenues that could be attributed to increased tourism and general economic improvement; and \$54,000 in Community Development Planning fees which can be partially attributable to a large environmental impact review project.

**Other** – Intergovernmental Revenues related to grant funding are included in this category. The budgetary and annual comparative differences are primarily the result of the timing of grant billings and receipts. In the subsequent chart, the FY 13/14 amounts are less than the prior year due to a property tax administrative fee settlement of \$125,000. Further reductions of \$152,520 occurred in FY 11/12 due to the loss of interest revenue associated with the RDA dissolution and \$98,000 related to the closure of the Pacific Cove Mobile Home Park.

A chart providing three-year tax trend information is provided for reference:



Additional three-year revenue trend information is presented below:



**Item #: 9.D. Attach 1.pdf**

**Expenditures:**

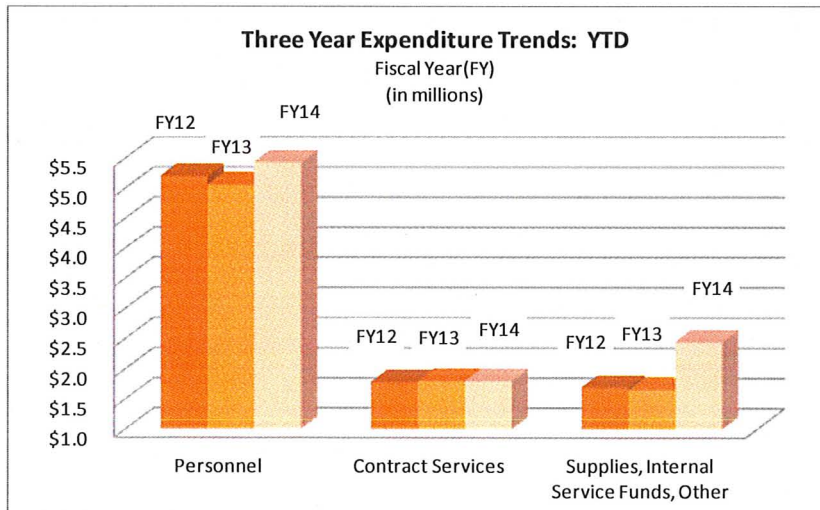
Expenditures by Category	Budgetary Comparison			Annual Comparison
	Amended Budget	YTD Transactions	% Used/ Rec'd	Prior YTD
Personnel	\$ 7,780,587	\$ 5,435,421	70%	5,060,142
Contract Services	2,645,689	1,802,981	68%	1,803,329
Training & Memberships	78,004	56,364	72%	55,270
Supplies	518,432	363,375	70%	322,052
Grants and Subsidies	254,270	127,670	50%	194,080
Capital Outlay	27,531	23,920	87%	-
Internal Service Fund Charges	892,925	669,694	75%	705,280
Other Financing Uses	2,233,725	1,208,524	54%	387,266
<b>Fund Totals: General Fund</b>	<b>\$ 14,431,163</b>	<b>\$ 9,687,949</b>	<b>67%</b>	<b>\$ 8,527,418</b>

Expenditures By Department	Budgetary Comparison			Annual Comparison
	Amended Budget	YTD Transactions	% Used/ Rec'd	Prior YTD
City Council	\$ 116,589	\$ 85,771	74%	\$ 79,687
City Manager	810,435	587,705	73%	589,413
Personnel	211,993	126,489	60%	121,310
City Attorney	195,000	135,168	69%	244,035
Finance	781,749	507,474	65%	464,774
Community Grants	254,270	127,670	50%	194,080
Public Safety	5,900,840	4,244,618	72%	4,091,292
Public Works	2,279,241	1,595,182	70%	1,360,210
Community Development & Building	687,877	429,947	63%	342,955
Culture and Leisure	959,444	639,402	67%	652,397
Transfers	2,233,725	1,208,524	54%	387,266
Expenditure Totals	\$ 14,431,163	\$ 9,687,949	67%	\$ 8,527,418

All expenditures are relatively consistent with the budget and prior year expenditures, with the exception of personnel costs, transfers, and City Attorney expenditures. The increased personnel costs are primarily due to prior year staffing vacancies in several positions; a FY 13/14 addition of a Measure O funded Maintenance Worker; and a 2.2% cost of living increase that became effective in January of 2014. The resolution of FY 13/14 litigation associated with Pacific Cove Mobile Home Park and disaster insurance recovery resulted in a \$100,000 reduction in City Attorney legal expenses.

The FY 13/14 third quarter transfers are approximately \$821,000 greater than the prior year. This is primarily related to \$750,000 in reserve and CIP transfers and a \$160,000 contribution to the Equipment and IT Funds.

Three year expenditure trend information by category is presented in the following chart.





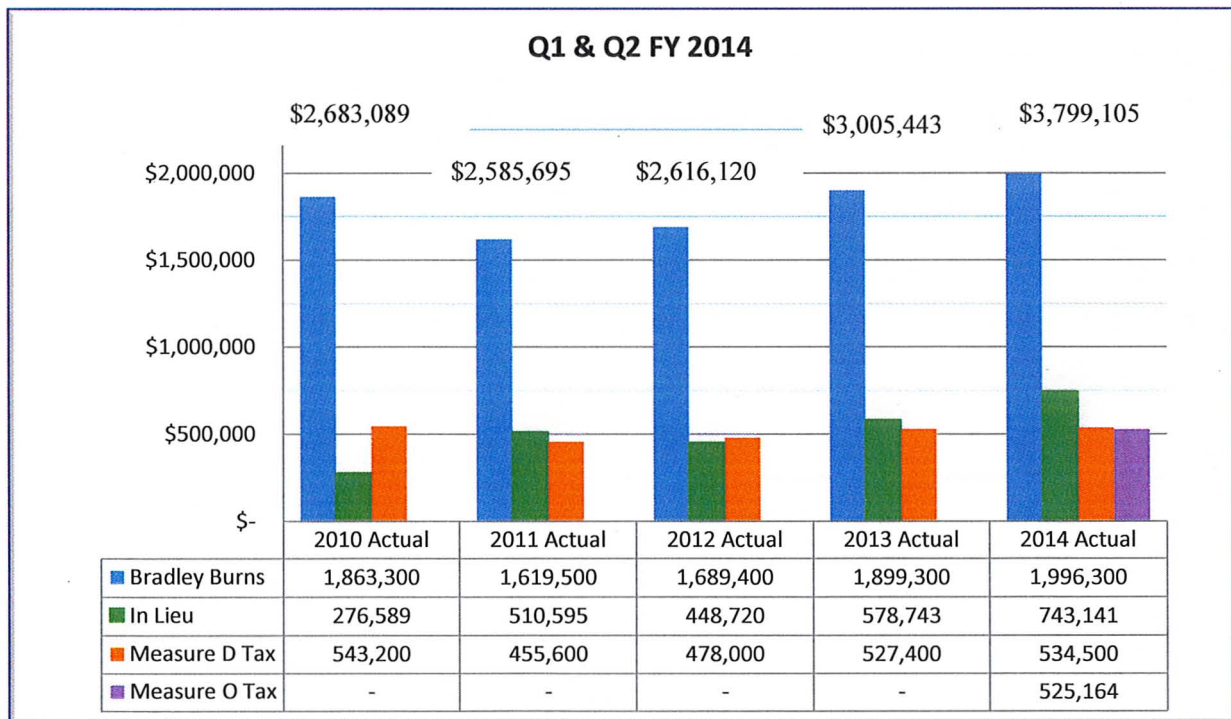
## Sales Tax Report Second Quarter – Fiscal Year 13/14

Sales tax receipts for the second quarter were \$473,403 or 25.7% greater than the prior year and exceeded the Amended Budget by \$8,543. The combined increase for the first half of the year was \$793,662, or 26.4% higher than the prior year revenues. These increases were primarily due to the addition of Measure O receipts, continued growth in general retail sales and auto sales; and a greater than typical in-lieu true-up. All fiscal year-to-date receipts were relatively consistent with the Amended Budget. Excluding the effect of Measure O, annual sales tax receipts were \$268,498, or 8.9% higher than the prior year, while In Lieu receipts were \$164,398, or 28.4% greater than the same period in FY 12/13. A table detailing the second quarter results is listed below, while the fiscal year-to-date results are included in the subsequent table.

### Second Quarter Sales Tax Revenue Analysis

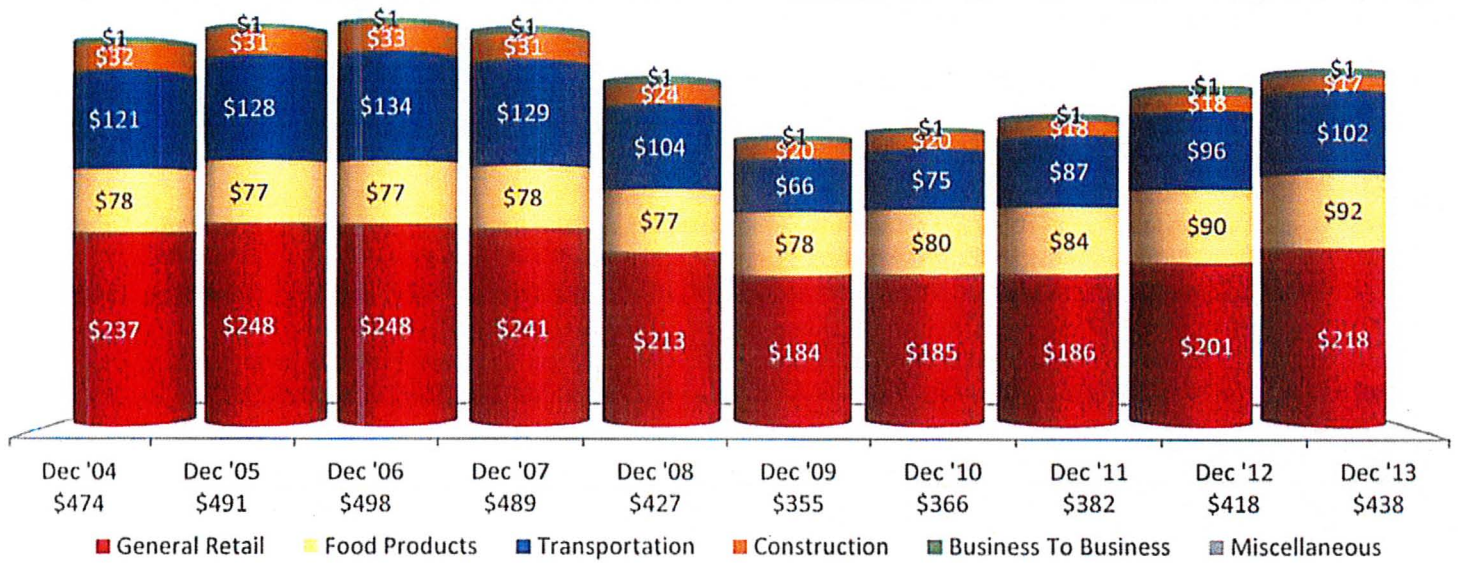
Description	2014		2013	Budget vs Actual		Actual Change	
	Amended Budget	Actual Amount	Actual Amount	Amount	Percentage	Amount	Percentage
Bradley Burns - 3/4%	\$ 1,023,998	\$ 1,027,198	\$ 990,039	\$ 3,200	0.3%	\$ 37,159	3.8%
In Lieu - Annual Total	743,141	743,141	578,743	-	0.0%	164,398	28.4%
Measure D - 1/4%	277,122	274,778	276,317	(2,344)	-0.8%	(1,539)	-0.6%
Measure O - 1/4%	265,698	273,385	-	7,687	2.9%	273,385	0.0%
	<u>\$ 2,309,959</u>	<u>\$ 2,318,502</u>	<u>\$ 1,845,099</u>	<u>\$ 8,543</u>	<u>0.4%</u>	<u>\$ 473,403</u>	<u>25.7%</u>
Excluding Measure O	\$ 2,044,261	\$ 2,045,117	\$ 1,845,099	\$ 856	0.0%	\$ 200,018	10.8%

### Sales Tax Revenue by Fiscal Year



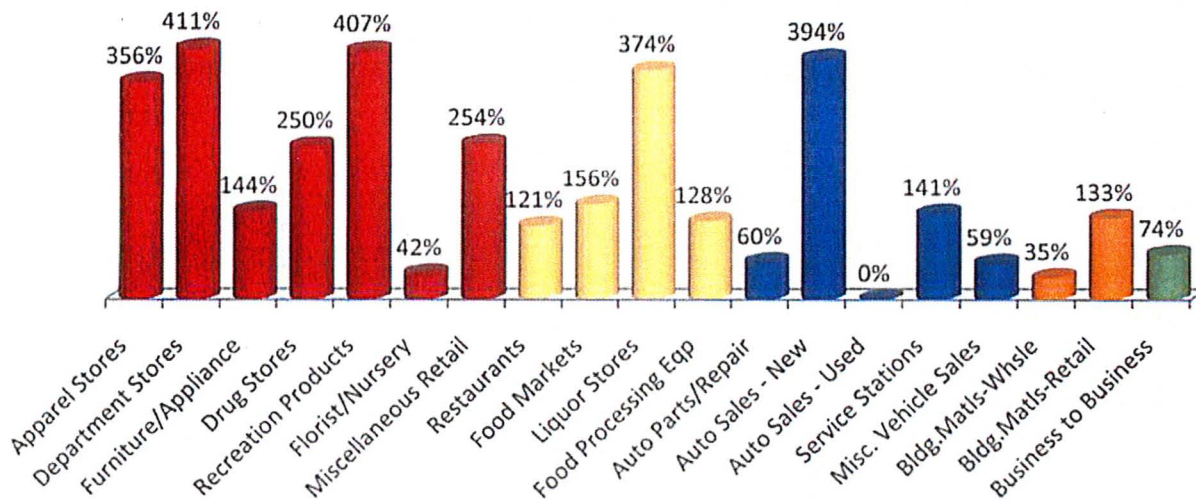
The following page was provided by MuniServces LLC. The charts present information from 2004 through March, 2014. The Sales Tax Capture and Leakage Analysis chart estimates the amount of sales tax that could be earned from Capitola residents (leakage); and the amounts that could be derived from shoppers outside of Capitola.

City Of Capitola's Annualized Sales Tax Divided By Its Population As Reported By State Department Of Finance

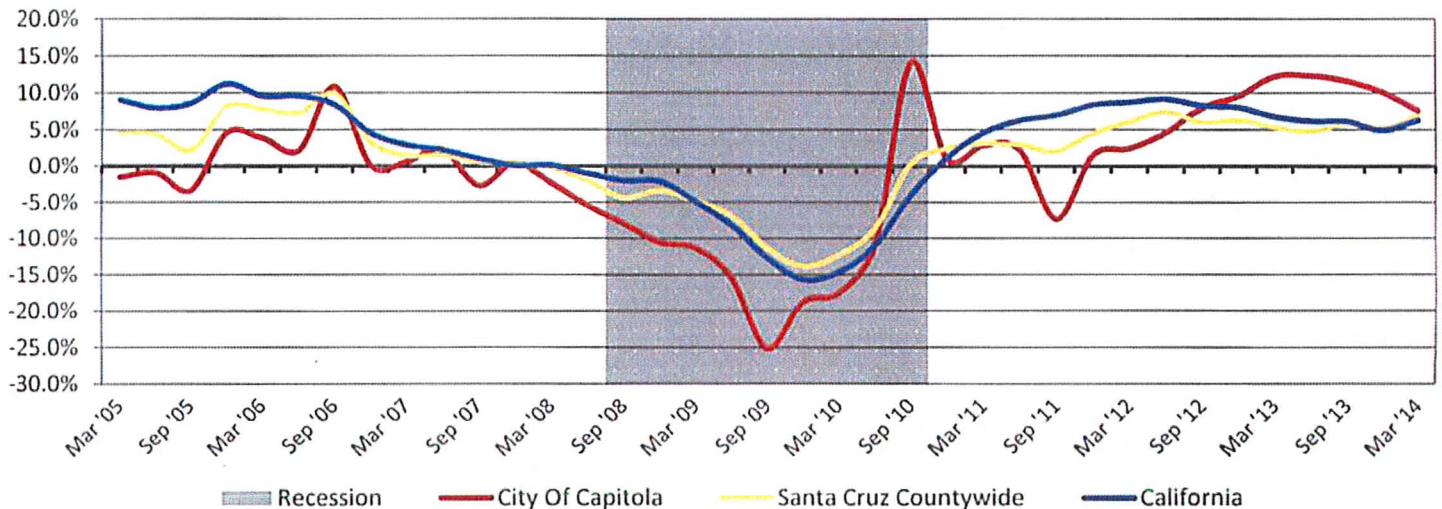


Sales Tax Capture & Leakage Analysis

100% = Equilibrium; Over 100% = Capture; Under 100% = Leakage



Annualized Change in Sales Tax Cash Receipts







## CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 12, 2014

FROM: FINANCE DEPARTMENT

SUBJECT: CAPITOLA VILLAGE AND WHARF BUSINESS IMPROVEMENT AREA  
FISCAL YEAR 2014-2015 ASSESSMENTS

**RECOMMENDED ACTION:** Adopt the proposed Resolution of Intention to Levy Business Improvement Assessments for Fiscal Year 2014-2015, which receives the annual report and Proposed Fiscal Year 2014-2015 Budget prepared by the Capitola Village and Wharf Business Improvement Area (CVWBIA), sets a public hearing to receive oral or written protests on the levy of the assessments for Fiscal Year 2014-2015 for Thursday, June 26, 2014, at 7:00 p.m., directs the City Clerk to give required notice in the newspaper, and directs the CVWBIA to give required notice to each proposed affected business.

**BACKGROUND:** In June 2005, the City of Capitola adopted Ordinance No. 889, which added Chapter 5.10 to the Capitola Municipal Code establishing the CVWBIA, which was established to generate revenue for the exclusive purpose of promoting business in the CVWBIA. The governing State law requires certain annual actions and public hearing to continue this assessment district.

**DISCUSSION:** In accordance with State law, the CVWBIA is required to submit an annual plan for each year in which assessments are to be levied in the CVWBIA. The annual report, Exhibit A to the proposed Resolution, was prepared by the CVWBIA and fulfills the requirement for Fiscal Year 2014-2015 and is submitted for Council review. The annual report, which must be, and is, on file in the City Clerk's office, may be modified by the Council and then approved. For Fiscal Year 2014-2015, the CVWBIA Annual Report proposes no change in the assessment area.

The annual report also outlines the CVWBIA's Fiscal Year 2014-2015 planned activities and proposed budget. Activities for Fiscal Year 2014-2015 include:

- Increasing the number of year round visits;
- Increasing the number of people who stay, shop and dine;
- Improving ease of access to information with printed brochures/directories;
- Providing fun family-oriented events throughout the year; and
- Improving and enhancing the appearance of the Village in cooperation with the City.

The action to be taken by the City Council at this time is to adopt the proposed Resolution. In addition to providing notification of the City's intent to levy business improvement assessments for Fiscal Year 2014-2015, the Resolution receives the annual report and proposed budget of the CVWBIA, sets the date for a public hearing to be held on Thursday, June 26, 2014, and, pursuant to Streets & Highways Code Section 36523 (a) and (b), the Resolution sets forth noticing requirements and directs the City Clerk to publish the Resolution of Intention in the Santa Cruz Sentinel Newspaper once, at least seven days before the public hearing, and directs the CVWBIA to give notice of the public hearing by mailing a completed copy of the Resolution of Intention to each business owner in the area within 7 days of the Council's adoption of the Resolution.

**Item #: 9.E. Staff Report.pdf**

6-12-14 AGENDA REPORT

CAPITOLA VILLAGE & WHARF BUSINESS IMPROVEMENT AREA FY 14-15 ASSESSMENT

A representative of the CVWBIA will be in attendance at the meeting in the event council members have questions; however, the CVWBIA's presentation will be made at the public hearing on June 26, 2014.

The CVWBIA has prepared a Notice of Public Hearing (Attachment 2) that will be sent to each business in the area, along with a certified copy of the Council's Resolution.

**FISCAL IMPACT:** There is no fiscal impact to the City. CVWBIA billing and accounts payable costs incurred by the City are reimbursed by the CVWBIA. The City and CVWBIA have reviewed amounts charged by the City for these services and agree that they are reasonable.

**ATTACHMENTS:**

1. Draft Resolution (Includes Exhibit A, Annual Report & Proposed Fiscal Year 2014-2015 Budget);
2. Draft Notice of Public Hearing.

Report Prepared By: Danielle C. Grindy  
Senior Accountant

Reviewed and Forwarded  
By City Manager: 

## RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF INTENTION OF THE CITY COUNCIL  
OF THE CITY OF CAPITOLA  
TO LEVY BUSINESS IMPROVEMENT ASSESSMENTS  
FOR FISCAL YEAR 2014/2015**

**WHEREAS**, the Capitola Village and Wharf Business Improvement Area ("CVWBIA") has prepared a report to the City of Capitola for Fiscal Year 2014/2015 pertaining to the Business Improvement Area assessments for the CVWBIA under California Streets and Highways Code §36533; and

**WHEREAS**, Capitola Municipal Code §5.10.050 requires annual assessments to be imposed within the CVWBIA pursuant to a formula set forth in City Council Resolution.

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

1. The Annual Report and Proposed Fiscal Year 2014-15 Budget of the CVWBIA pertaining to business improvement assessments, as presented in Exhibit "A" attached hereto, is received.

2. The City Council intends to levy and collect assessments within the CVWBIA for Fiscal Year 2014/2015.

3. The proposed activities authorized by Capitola Municipal Code Chapter 5.10 are described in the afore-referenced CVWBIA Annual Report. These activities include a variety of promotional activities, including village maintenance and beautification programs, and extended holiday parking programs. A number of promotional information media announcements and publications will also be financed from these funds, including regional magazine advertising, broadcast advertising and website advertising.

4. The Business Improvement Area is bounded per the map of the CVWBIA reproduced as Exhibit "A" to Capitola Municipal Code §5.10.020 and included in the Municipal Code. The CVWBIA boundaries are not being altered.

5. The Annual Report of the CVWBIA is presented in Exhibit "A" attached hereto. The proposed assessments will be calculated under the formula for assessment found in Capitola City Council Resolution No. 3546 adopted May 25, 2006. This formula is based on the classification of benefited businesses and the businesses' number of full-time equivalent employees. Assessments will not be increased.

6. The Capitola City Council will hold a public hearing in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California, at the hour of 7:00 p.m., on Thursday, June 26, 2014, to receive any oral or written protests or endorsements to the regularity or sufficiency of the proposed business improvement assessments. If written protests complying with Streets and Highways Code §36524 and §36525 are received from the owners of businesses which will pay fifty percent or more of the assessments, assessments will not be levied, the procedure will be terminated and will not be reconsidered until one full year has elapsed.

7. The City Clerk is directed to give notice of the public hearing to consider the levy of business improvement assessments for Fiscal Year 2014-2015 by publishing this Resolution of Intention in a newspaper of general circulation in the City once, at least seven days prior to the public hearing.

8. The CVWBIA Advisory Committee is directed to give notice of the public hearing to each business owner in the area by mailing a copy of the Council's Resolution of Intention to each business.

**I HEREBY CERTIFY** that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 12<sup>th</sup> day of June, 2014, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

**DRAFT**

\_\_\_\_\_  
Sam Storey, Mayor

ATTEST: \_\_\_\_\_  
Susan Sneddon, City Clerk

**EXHIBIT A**

(Resolution No. \_\_\_\_\_)

**Annual Report & Proposed Fiscal Year 2014-2015 Budget**  
**CVWBIA Assessment Basis**  
**CVWBIA Business Addresses and Assessment Method**

**Activities**

The Capitola Village and Wharf Business Improvement Area (“CVWBIA” or “District”), serves as the primary marketing agent for the Village and Wharf businesses with the goal of increasing tourism and promoting the Capitola Village and Wharf areas. All of the activities of the CVWBIA relate to achieving the single objective of marketing the Capitola Village and Wharf Area. Informational brochures for visitors, an attractive and active website linked to Village and Wharf merchants, a Village map identifying locations of Village and Wharf merchants, newsletters, advertising programs, holiday events and Village betterment projects are key focuses of the District. This District is the primary source of funding for the promotion of the Village and Wharf. These goals and objectives can be achieved by the CVWBIA continuing to fund activities and projects that will:

- Increase the number of year-a-round visits to the businesses within the District, emphasizing the period of October through May of each year.
- Increase the number of people who stay, shop, and dine in the Village and on the Wharf of Capitola.
- Improve the ease of access to information regarding the businesses and services provided by the Village and Wharf BIA to likely visitors to the area via the Internet and printed brochure/directories.
- Provide fun, family-oriented events throughout the year emphasizing the attributes of the Village and Wharf, by working in partnership with the Capitola/Soquel Chamber of Commerce.
- Improve and enhance the appearance of the Village and Wharf in concert with the City of Capitola.
- Enhance the ability of the CVWBIA to serve as a liaison between individual business owners, local governments, and private agencies, including the City of Capitola.

As the CVWBIA begins its eighth year, we will continue the successful programs developed during the prior years of the CVWBIA. New programs will be put in place.

**We will continue and expand successful programs from the current and prior years, which included the following:**

1. **Village Directories.** Over 85,000 directories are printed and distributed annually.
2. **Directory Distribution.** The CVWBIA has contracted with Certified Folder Display Service for distribution of 55,000 brochures in San Jose, Santa Clara and San Francisco and 20,000 brochures in Santa Cruz. This is the company with exclusive rights to lobby racks in all the hotels, resorts, motels and visitor centers.

## Item #: 9.E. Attach 1.pdf

3. **Website Presence.** We maintain a very attractive website for ease of use and connectivity to local businesses. The CVWBIA has a strong Internet presence with multiple domain names, which can be used for different projects. The primary domain names are [www.capitolavillage.com](http://www.capitolavillage.com) and [www.explorecapitola.com](http://www.explorecapitola.com). The website has a complete directory of all businesses in the boundaries of the CVWBIA with pictures and links to their individual websites. There is a history of Capitola written by Carolyn Swift, Capitola Museum Coordinator. There is a schedule of events for the year with contact information. The walking tour of Capitola Village is also on the site. Articles with colorful descriptions of Village businesses and activities have been added. There are two ways for the CVWBIA to capture email addresses for future correspondence with visitors to the web site. Email address information is captured via the contest to win a vacation in Capitola Village and visitors are asked to sign up at merchants' shops throughout the Village and Wharf.
4. **Volunteers.** The CVWBIA members participate with the Capitola/Soquel Chamber of Commerce and volunteer at the various events they put on in the Village.
5. **Holiday Activities.** The CVWBIA works with the Chamber and the City on the Christmas Holiday decorations. The CVWBIA hosts a Tree Lighting Ceremony, Community Caroling, and provides Holiday music throughout the Village. The CVWBIA also provides lights for trees throughout the Village as well for houses on Depot Hill that participate in the Holiday decorations.
6. **Advertising.** The CVWBIA placed advertisements in travel magazines that have paid off at many different levels. The CVWBIA will continue co-op with the Santa Cruz County Conference and Visitors Council advertising in print, on television and radio, which highlights Capitola.
7. **Membership Breakfast.** The quarterly breakfasts are an opportunity to keep the members informed.
  - a. We have been offering educational presentations on social networking, search engine optimization and other aspects of marketing on the Internet.
  - b. We have had the City Manager, City Chief of Police, Council Members and Director of Public Works as guest speakers to keep our membership informed and investigate how we could better partner with the City to address issues in the Village.
8. **Public Works.** The CVWBIA contributes annually to the City of Capitola Public Works Department. Our contribution is used to help maintain the Village.
9. **Chamber of Commerce.** The CVWBIA contributes annually to support community interest projects.
10. **Sponsorships.** The CVWBIA members support many community events including the Rod & Classic Car Show, Wednesday night concerts, Begonia Festival and various other activities in the Village.

## Capitola Village & Wharf Business Improvement Area Assessment Basis

The method of assessment breaks down the businesses within the proposed boundary map into seven categories:

1. Retail / Service businesses
2. Restaurant/Bar / Take-out food and beverage businesses
3. Office and Professional businesses
4. Hotel / Motel / Inn businesses
5. Short-term Rental businesses
6. Specialty
7. Seasonal Foods

These five business categories are further broken down by number of employees for the first two categories, a flat fee for the third and fifth categories, and a per unit fee for the Lodging/Motel/Inn businesses. Registered non-profits are exempt from assessment.

The following table represents the proposed method of collection and fee determination for the proposed CVWBIA.

Business Category	Number of Full-Time Equivalent Employees *		
	0 – 5 employees	6 – 10 employees	More than 10 employees
Retail / service	\$420.	\$840.	\$1,260.
Restaurant / Bar / Take-out	\$480.	\$960.	\$1,440.
Office / Professional	\$120.		
Hotel / Motel	\$360 per unit		
Short-term Rental **	\$180		
Specialty	\$120		
Seasonal Food Service	\$280		

**Footnote\*** “**Full-time employee**” is considered one who works 2,000 hours per year or more. Multiple part-time employees are combined into a single full-time employee for the basis of this assessment calculation.

**Footnote\*\*** “**Short-term rental**” businesses are defined as those dwellings which, at least once per fiscal year, are rented to a tenant for a tenancy of less than thirty days.

**See In-Lieu Payments/Trades Program on the next page.**

**In-Lieu Payments/Trades.** The City Manager is authorized to approve “in lieu” assessment payments in the form of Gift Certificates from CVWBIA retail, food or lodging business members whereby these businesses tender retail, restaurant and lodging gift certificates for use by the CVWBIA in connection with its promotional activities. The amount of ‘in lieu” assessment payments will be fixed per category, with exceptions that may be authorized by the City Manager.

<i>Business Category</i>	<i>Assessment</i>	<i>Cash</i>	<i>In-lieu/Trade</i>
Retail / service:	\$420.	\$345	\$75
	\$840	\$690	\$150
Restaurant / Bar / Take-out	\$480	\$405	\$75
	\$960	\$810	\$150
	\$1,440	\$1,215	\$225
Office / Professional	\$120	\$120	\$0
Short-term Rental	\$180	\$180	\$0
Hotel/Motel	\$360 per unit	50%	50%
Specialty	\$120	\$120	\$0
Seasonal Food Service	\$280	\$235	\$45

**Associate Membership.** CVWBIA is authorized to accept “associate membership” financial contributions from businesses outside the CVWBIA which might wish to participate in the CVWBIA’s promotional activities but which are not subject to the CVWBIA assessments.

**New Business Assessment.** Assessment will be prorated by the quarter in which a business opens. “In Lieu” payments will be accepted.

**Business Closing.** A business notifying the CVWBIA before the end of the first quarter of the fiscal year (September 30th) that the business will close before December 31st will be exempt from paying the assessment for that fiscal year. If the business does not close before December 31st, it must pay the year's assessment in full.

**Delinquencies.** We have a clear policy relative to delinquent dues. In addition to referring merchants with delinquent dues to a collection agency after 6 months delinquent, the delinquent members will be eliminated from the following listings if dues not paid by specified date:

<u>Listing</u>	<u>Dues must be paid in full by</u>
Web listing	April 30, 2015
Village Listing	April 30, 2015
Village Brochure	April 30, 2015



**Capitola Village & Wharf Business Improvement Area  
Estimated Actual for FY 2013-2014 and Proposed Budget for FY 2014-2015**

	FY 12/13 Actual	FY 13/14 Adopted	FY 13/14 Estimated Actual	FY 14/15 Proposed
<b>Beginning Fund Balance</b>	\$ 5,431	\$ 2,243	\$ 2,243	\$ 8,899
<b>Revenues</b>				
BIA Assessment Revenues- Cash*	55,120	56,310	56,310	56,000
BIA Assessment Revenues- Trade**	13,770	9,000	13,000	13,000
Interest Revenue	51	14	14	15
<b>Total Revenues</b>	<b>68,941</b>	<b>65,324</b>	<b>69,324</b>	<b>69,015</b>
<b>Total Source of Funds (Beg. Fund Bal &amp; Revenues)</b>	<b>\$ 74,372</b>	<b>\$ 67,567</b>	<b>\$ 71,567</b>	<b>\$ 77,914</b>
<b>Expenditures</b>				
Advertising	\$ 59,667	\$ 52,500	\$ 50,383	\$ 58,000
Maintenance - City Public Works	3,000	3,000	3,000	3,000
Billing/Collection - City Accounting	4,200	4,200	4,200	4,200
Capitola Soquel Chamber Of Commerce	3,000	3,000	3,000	3,000
Supplies	541	1,000	500	1,000
Website	1,721	2,000	1,305	6,000
Administrative Assistant	-	300	280	300
<b>Total Use of Funds</b>	<b>72,129</b>	<b>66,000</b>	<b>62,668</b>	<b>75,500</b>
<b>Ending fund Balance at June 30th</b>	<b>\$ 2,243</b>	<b>\$ 1,567</b>	<b>\$ 8,899</b>	<b>\$ 2,414</b>

The following tables provide detail for selected items of the proposed FY 14/15 Budget:

Revenues *	Proposed FY 14/15
Food	19,680
Hotels	16,920
Office	2,280
Retail	21,420
Seasonal Food	280
Short Term Rentals	8,880
<b>Subtotal</b>	<b>\$ 69,460</b>

Advertising	Proposed FY 14/15
Gift Cert.-Contest **Trade	13,000
Holiday	4,500
CVC Partnership	8,000
TV/Radio	8,000
CDS Distribution	8,000
Directories Printing	6,500
Consulting-Marketing & Internet	9,000
Printing Explore	1,000
<b>Subtotal</b>	<b>\$ 58,000</b>

\* 14/15 Proposed Budget revenues reduced from BIA roster estimates based on prior year actual information

\*\* Gift Certificates are provided from "Trade" revenues

## **Capitola Village & Wharf Business Improvement Area Budget Discussion**

**Revenues:** The proposed revenue is derived from the CVWBIA business listings and proposed assessment rates. The allocation of cash and in-lieu revenue is based upon FY 2013-14 actual.

**Expenditures:**

**Summary.** The proposed expenditures include advertising and related services of \$58,000, City Public Works maintenance for beautification of \$3,000, City Accounting Staff of \$4,200 for billing and accounts payable services, \$3,000 for the partnership with the Chamber of Commerce, \$6,000 for website services and maintenance, and the \$1,300 balance will be used for administration and office expense.

**Advertising is the CVWBIA's principal expenditure.**

- **Gift Certificates (\$13,000).** Members may satisfy a portion of their annual fee with gift certificates. These certificates are used to promote specific businesses in the Village through donations to various activities in the Village and promotional incentives to potential visitors to Capitola.
- **TV & Radio Advertising (\$8,000).** While these are a more expensive form of advertising media, we attempt to take advantage of special opportunities with spots that emphasize the Capitola Village.
- **Local Directories (\$14,500).** We spend over \$14,000 printing and distributing directories of all members plus special events in the Village. These are very attractive and useful brochures, which are available at all local merchants and in distribution centers throughout the area.
- **Web Site.** Our web site [www.capitolavillage.com](http://www.capitolavillage.com) is eight years old. In 2014-15 the site will be improved to take advantage of new technology and to be compatible with mobile devices.
- **Outdoor Directories.** In 2014-15 we hope to partner with the city to create outdoor directories for the new parking lot and approximately 9 other locations in the Village.

The CVWBIA will begin Fiscal Year 2014-2015 with an estimated fund balance of \$8,899.

Following is a roster of business in the assessment area open as of May 31, 2014.

**Capitola Village & Wharf Business Improvement Area  
Business Address and Assessment Method**

<u>Business Address</u>	<u>Business Name</u>	<u>TYPE</u>	<u>FY14/15 Est. Size</u>	<u>FY14/15 Est. Amt Due</u>
209B Esplanade	Bay Bar & Grill	F	1 - 5	\$480
316 Capitola Ave	Bella Roma Café	F	0 - 5	\$480
110 Monterey	Britannia Arms Pub & Rest.	F	6 - 10	\$960
311 Capitola Ave	Calypso's Cove	F	0 - 5	\$480
201 Monterey #C & D	Capitola Deli & Café	F	0 - 5	\$480
115 San Jose Ave, Ste. #6	Caruso's Tuscan Cuisine	F	0 - 5	\$480
115 San Jose Ave, Ste. #7	CAVA Wine Bar	F	0 - 5	\$480
123 Monterey	El Toro Bravo	F	0 - 5	\$480
211 Esplanade	Fog Bank Bar & Grill	F	0 - 5	\$480
200 Monterey #3	Geisha Japanese Restaurant & Tea House	F	0 - 5	\$480
110 Stockton Avenue	Granny's by the Sea	F	0 - 5	\$480
116 Stockton Ave	It's Wine Tyme	F	0 - 5	\$480
231 Esplanade #101	Margaritaville	F	> 10	\$1,440
201 Esplanade	Mr. Kebab & Falafel	F	0 - 5	\$480
231 Esplanade #100	Mr. Toots Coffee & Tea	F	0 - 5	\$480
215 Esplanade	Paradise Beach Grille	F	> 10	\$1,440
209A Esplanade	Pizza My Heart	F	6 - 10	\$960
207 Esplanade	Sea Side Siam	F	0 - 5	\$480
115 San Jose Ave, Ste. #1	Seaside Coffee	F	0 - 5	\$480
1750 Wharf Rd	Shadowbrook Restaurant	F	> 10	\$1,440
200 Monterey #1	Souza's Ice Cream & Candy	F	0 - 5	\$480
231 Esplanade #102	Stockton Bridge Grille	F	6 - 10	\$960
427 Capitola Ave	Taqueria Agave	F	0 - 5	\$480
200 Monterey #2	Taqueria Baja	F	0 - 5	\$480
210 Monterey #1	Thai Basil	F	0 - 5	\$480
105 Stockton	Village Deli	F	0 - 5	\$480
104 Stockton Ave	Village Grill & Creamery	F	0 - 5	\$480
1400 Wharf Rd	Wharf House Restaurant	F	6 10	\$960
203 Esplanade	Zelda's	F	> 10	\$1,440
210 Esplanade	Capitola Hotel	H	8	\$2,880
5000 Cliff Dr	Harbor Lights Motel	H	8	\$2,880
250 Monterey	Inn at Depot Hill	H	12	\$4,320
1500 Wharf Rd	Venetian Hotel	H	19	\$6,840
312E Capitola Ave	57 Design Inc.	O		\$120
312D Capitola Ave	Beach House Rentals	O		\$120
208 San Jose Ave	Capitola Surf & Paddle	O		\$120
331 Capitola Ave	Capitola Village Real Estate	O		\$120
301 Capitola Ave	David Lyng & Associates	O		\$120
411 Capitola Ae	Fuse Architects	O		\$120
415 Capitola Ave	James B. Colip Insurance	O		\$120
425 Capitola Ave. #3	Kathy Macdonald Association	O		\$120
314 Capitola Ave	Katz & Lapides	O		\$120
314 Capitola Ave	Law Offices of Sam Storey	O		\$120
409 Capitola Ave. #A	Liz De Puydt Photography	O		\$120
331 Capitola Ave. #B	Michael Lavigne Real Estate	O		\$120

**Capitola Village & Wharf Business Improvement Area  
Business Address and Assessment Method**

<u>Business Address</u>	<u>Business Name</u>	<u>TYPE</u>	<u>FY14/15 Est. Size</u>	<u>FY14/15 Est. Amt Due</u>
331 Capitola Ave Ste K	Newman & Marcus, LLP	O		\$120
220 Capitola Avenue	Psychic Mermaid	O		\$120
413 Capitola Ave	Richard Emigh, Land Use	O		\$120
331 Capitola Ave. #D	Suess Insurance Agency	O		\$120
419 Capitola	Triangle Yoga Gear	O		\$120
309 Capitola Ave.	Vice Salon	O		\$120
312 Capitola Ave SteC	Violet Blossom Massage	O		\$120
103 Stockton Ave	Armida Winery	R	0 - 5	\$420
409 Capitola Ave	Art Inspired/Rugged Grace	R	0 - 5	\$420
208A Monterey	Avalon Visions	R	0 - 5	\$420
110 Capitola Ave #3	Avije Fashion Gallery	R	0 - 5	\$420
417 Capitola Ave	Betsy's Summerhouse Antiques	R	0 - 5	\$420
217 Capitola Ave	Big Kahuna Hawaiian Shirts	R	0 - 5	\$420
222 Esplanade	Butter Swirls Cupcake Factory	R	0 - 5	\$420
131 Monterey	Capitola Beach Co.	R	0 - 5	\$420
1400 Wharf Rd	Capitola Boat & Bait	R	0 - 5	\$420
115 Capitola Ave	Capitola Reef	R	0 - 5	\$420
109 Capitola Ave	Capitola Seashells	R	0 - 5	\$420
115 San Jose Ave, Ste. #5	Carousel Taffy	R	0 - 5	\$420
205 Capitola Ave	Chocolate Bar	R	0 - 5	\$420
209 Capitola Ave	Craft Gallery	R	0 - 5	\$420
207 Capitola Ave	Craft Gallery Annex	R	0 - 5	\$420
127 Monterey	Cruz'n	R	0 - 5	\$420
107 Stockton Ave.	Dogmatic	R	0 - 5	\$420
111 Capitola Avenue	Eadington Gallery	R	0 - 5	\$420
114 Stockton Av	Euphoria Rio Mix	R	0 - 5	\$420
110 Capitola Ave., #2	Free to Ride	R	0 - 5	\$420
212 Capitola Ave	Gaia Earth Treasures	R	0 - 5	\$420
219 Capitola Ave	Hot Feet	R	0 - 5	\$420
210 Capitola Ave	Just Baby Apparel & Gifts	R	0 - 5	\$420
201 Monterey #B	Kickback	R	0 - 5	\$420
118 Stockton Ave.	La Vita Company	R	0 - 5	\$420
120 Stockton Ave.	Latta	R	0 - 5	\$420
112 Capitola Ave. Suite, 100	Lumen Gallery	R	0 - 5	\$420
202 Capitola Ave.	Nubia Swimwear	R	0 - 5	\$420
204 Capitola Ave	Oceania	R	0 - 5	\$420
115 San Jose Avenue	Om Rythms	R	0 - 5	\$420
321 Capitola Ave	Pacific Gallery	R	0 - 5	\$420
110 Capitola Ave #1	Panache Bath & Body Shop	R	0 - 5	\$420
115 San Jose Ave.	Parking at the Mercantile	R	0 - 5	\$420
120 Monterey Ave.	Parking at the Theater	R	0 - 5	\$420
107 Capitola Ave	Phoebe's	R	0 - 5	\$420
300 Capitola Ave	Quality Market	R	0 - 5	\$420
116 San Jose Av	Rainbow City Limit	R	0 - 5	\$420
224 Esplanade	RNTF LLC dba Bedroom Desserts	R	0 - 5	\$420
112 Stockton Av	Sea Level T's	R	0 - 5	\$420
115 San Jose Ave.	She Sell Sea Shells and More	R	0 - 5	\$420

**Capitola Village & Wharf Business Improvement Area  
Business Address and Assessment Method**

<u>Business Address</u>	<u>Business Name</u>	<u>TYPE</u>	<u>FY14/15</u>	<u>FY14/15</u>
			<u>Est. Size</u>	<u>Est. Amt Due</u>
216 Capitola Ave.	Slap Happy	R	0 - 5	\$420
214 Capitola Ave	Super Silver	R	0 - 5	\$420
117 Capitola Ave	Surf n Shack	R	0 - 5	\$420
503 Capitola Ave	Suzi's	R	0 - 5	\$420
120 San Jose Ave	Sweet Asylum	R	0 - 5	\$420
121 San Jose Ave	Thomas Kinkade Gallery	R	0 - 5	\$420
215 Capitola Ave	Vanity by the Sea	R	0 - 5	\$420
201 Capitola Ave	Village Mouse	R	0 - 5	\$420
201 Monterey #A	Village Sea Glass	R	0 - 5	\$420
115 San Jose Ave.	WFO Apparel	R	0 - 5	\$420
122 Capitola Ave	Yvonne	R	0 - 5	\$420
107 San Jose Ave, Ste. #8	Salty Dog	SF	0-5	\$280
1500 Wharf Road #2	Albert Ribisi & Mary Scolari	SR	1	\$180
222 San Jose Av	Avonne Stone Jacobs, Judy Jacobs	SR	1	\$180
109 Cherry Ave Units A & B	Bill & Julie Kenney	SR	2	\$360
1500 Wharf Rd. #1	Bob Coe	SR	1	\$180
303 Cherry Way	Cal & Carla Cornwell	SR	1	\$180
305 Riverview Ave.	Capitola Pelican House	SR	1	\$180
209 Stockton A & B	Castillo Properties	SR	2	\$360
207 & 215 San Jose Ave, A & B	Clare St. Laurent	SR	4	\$720
1500 Wharf Rd #5	Colleen Merle Lund	SR	1	\$180
4995 Cliff B	David Johnson	SR	1	\$180
116 Esplanade #A-B	Dorean Moore	SR	2	\$360
310 Riverview Ave	Eleanor Glover	SR	1	\$180
1500 Wharf Rd #14	Erline Mello	SR	1	\$180
1500 Wharf Rd #8	Everett Eslinger	SR	1	\$180
318 Capitola Ave #2	Fred & Sharon Andres	SR	1	\$180
208 Stockton Ave	George Adzich	SR	1	\$180
215 Monterey #A	Greg & Maxine Sivaslian	SR	1	\$180
1445 Wharf Rd	Greg McBride	SR	1	\$180
206 Monterey	Jay & Pamela Chesavage	SR	1	\$180
5005 Cliff Dr #3	Jean Ladoucour	SR	1	\$180
301 Cherry Way	Jeff & Kathie Gaylord	SR	1	\$180
1500 Wharf Rd. #20	Leonard Tyson	SR	1	\$180
212 Monterey	Lesa & Warren Paboojan	SR	1	\$180
5005 Cliff Dr #6	Lindsay Eshleman	SR	1	\$180
1500 Wharf Rd. #6 1/2	Mary Russell, Sylvia Nurre, Rosemary Schaffer	SR	1	\$180
4985 Cliff Drive	Michael Hutto	SR	1	\$180
407 Riverview Ave	Michael Pirnik	SR	1	\$180
225 San Jose Av	Michelle & Stephen Murphy	SR	1	\$180
318 Capitola Ave #5	Mike & Karen McCormick "A Beach Condo"	SR	1	\$180
208 Monterey C	Pat & Frank Castagnola	SR	1	\$180

**Capitola Village & Wharf Business Improvement Area  
Business Address and Assessment Method**

<u>Business Address</u>	<u>Business Name</u>	<u>TYPE</u>	<u>FY14/15 Est. Size</u>	<u>FY14/15 Est. Amt Due</u>
327 Riverview Ave A	Paulo Franca	SR	1	\$180
318 Capitola Ave #1	Randy Hayes	SR	1	\$180
1500 Wharf Rd #11	Robert Chestnut	SR	1	\$180
109 Monterey #4	Sharon Dougan	SR	1	\$180
317 Riverview Ave B	Steve & Linda Woodside	SR	1	\$180
5005 Cliff Dr #4, 314 Riverview Ave	Sue Norris	SR	2	\$360
4960 Cliff Dr. #2	Tim & Stacy Hopkins	SR	1	\$180
5005 Cliff Drive	Tom & Susan Bains	SR	0 - 5	\$420
1500 Wharf Rd #7	Viola M Carr	SR	1	\$180
1500 Wharf Rd #3,4	Watson Family Limited Partnership (Mike Newell)	SR	2	\$360

<u>Business Category</u>	<u>Assessment Method</u>	<u>Total Estimate</u>	
F=FOOD	Per Employee Category: 0-5; 6-10; >10 Employees	F	\$19,680
H =HOTEL/MOTEL	Per Unit or Room	H	\$16,920
O=OFFICE	Per Business	O	\$2,280
R=RETAIL/SERVICE	Per Employee Category: 0-5; 6-10; >10 Employees	R	\$21,420
SF=SEASONAL FOOD	Per Business	SF	\$280
SR =SHORT TERM RENTALS	Per Unit or Room	SR	\$8,880
X=EXEMPT	No Assessment	X	\$0
		<b>Total</b>	<b>\$69,460</b>

## NOTICE OF PUBLIC HEARING

### ANNUAL RENEWAL OF THE CAPITOLA VILLAGE AND WHARF BUSINESS IMPROVEMENT AREA

Hearing Body: Capitola City Council  
Hearing Date: Thursday, June 26, 2014  
Hearing Time: 7:00 PM  
Hearing Place: City Hall Council Chambers  
420 Capitola Avenue, Capitola

The Capitola City Council hereby notifies you of a Public Hearing regarding the Annual Renewal of the Capitola Village and Wharf Business Improvement Area (CVWBIA) for Fiscal Year 2014-2015. The renewal plan does not include a request for increase in assessments nor does it propose a change in the CVWBIA boundaries. The report states the amount of "in lieu" assessment payments to be accepted from CVWBIA retail, food or lodging business members whereby these businesses tender retail, restaurant and lodging gift certificates for use by the CVWBIA in connection with its promotional activities.

For a copy of the budget or details of the annual renewal, contact the Capitola Village and Wharf Business Improvement Area Board Member Carin Hanna at 831-475-4466 or by email at [capitolavillage1@gmail.com](mailto:capitolavillage1@gmail.com).

The Capitola City Council will hold the public hearing in the City Hall Council Chambers after the hour of 7:00 p.m. on Thursday, June 26, 2014, and will receive any oral or written protests or endorsements to the regularity or sufficiency of the proposed business improvement assessments. If written protests complying with Streets and Highways Code §36524 and §36525 are received from the owners of businesses which will pay fifty percent or more of the assessments, assessments will not be levied, the procedure will be terminated and will not be reconsidered until one full year has elapsed.

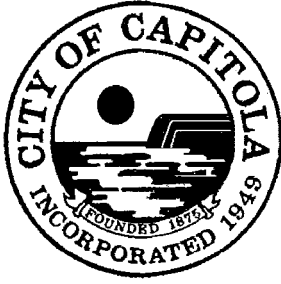
If you have any questions concerning the foregoing, please contact the Capitola Village and Wharf Business Improvement Area Board of Directors at 831-475-4466 or City Manager Jamie Goldstein at 831-475-7300.

DATED: June 2, 2014

CITY OF CAPITOLA  
Susan Sneddon, City Clerk

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## CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 12, 2014

FROM: FINANCE DEPARTMENT

SUBJECT: CONSIDER THE ADOPTION OF A RESOLUTION SETTING THE FISCAL YEAR  
2014-2015 APPROPRIATION LIMIT

**RECOMMENDED ACTION:** Adopt a Resolution setting the Fiscal Year 2014-2015 Appropriation Limit as required by Article XIII B of the California Constitution.

**BACKGROUND:** On November 6, 1979, California voters approved Proposition 4, commonly known as the Gann Initiative, establishing Article XIII B of the State Constitution. This proposition places annual limits on the appropriation of tax proceeds that can be made, based on the 1978-1979 base year, and adjusted each year for population growth and cost-of-living factors. It precludes state and local government from retaining "excess" revenues above the appropriation limit, and requires the state to reimburse local government for the cost of certain mandates.

Two subsequent initiatives, Proposition 98 in 1988 and Proposition 111 in 1990, modify the appropriation limit requirements. Proposition 98 amends the methodology for allocation of excess revenues. Proposition 111 changes the population growth and cost-of-living factors to be used in calculating the limit, adds additional exempted items, and further adjusts allocation of excess revenues.

The appropriations limit applies only to tax proceeds. Charges for services, fees, grants, loans, donations, and other non-tax based proceeds are excluded. Exemptions are also made for voter approved debt, debt that existed prior to January 1, 1979, and for the cost of compliance with court or Federal government mandates.

The State Constitution requires that prior to June 30 of each year, Council ratify calculation factors and set the City's appropriations limit for the following fiscal year.

**DISCUSSION:** The appropriations limit for a given fiscal year is established in the months preceding the beginning of that fiscal year. California Revenue and Taxation Code, Section 2227, mandates that the Department of Finance transmit an estimate of the percentage change in population, "Annual Percent Change in Population Minus Exclusions", to local governments. Each local jurisdiction uses this percentage change in population factor for January 1, 2014, in conjunction with the County-issued "Local Nonresidential Property Value Increment By Fund" or "Change in California Per Capita Income" to calculate the appropriation factor used in determining the Limit.

**Item #: 9.F. Staff Report.pdf**

06-12-14 CITY COUNCIL AGENDA ITEM

**AGENDA STAFF REPORT: SETTING THE 2014-2015 APPROPRIATION LIMIT**

The 2014-15 calculation is:

	Annual % change in County Population minus Exclusions	X	Change in California per capita Income	=	Appropriation Factor	X	FY 2013-14 Appropriation Limit	=	FY 2014-15 Appropriation Limit
2014-15	1.0127		0.9977		1.0104		\$24,220,024		\$24,471,912

The proposed Fiscal Year 2014-2015 Budget tax revenues are:

Source of Tax Revenue	2014-15 Budget
Sales Tax and Triple Flip (1%)	\$ 5,224,500
District Taxes (Measures D and O)	\$ 2,094,100
Property Tax and In-Lieu	\$ 1,762,900
Transient Occupancy Tax	\$ 1,251,000
Franchise Taxes	\$ 485,200
Business License Tax	\$ 280,800
Interest Income from tax revenue	\$ 918
<b>Total Tax Revenue</b>	<b>\$11,099,418</b>

The Fiscal Year 2014-2015 % of appropriations limit used is:

For Fiscal Year ended	2012-13	2013-14	2014-15
Appropriations Limit	\$ 22,924,774	\$ 24,220,024	\$ 24,471,912
Tax revenue	\$ 8,817,975	\$ 10,522,830	\$ 11,099,418
Remaining to limit	\$ 14,106,799	\$ 13,697,194	\$ 13,372,494
% of limit used	38.46%	43.45%	45.36%
Amount of Increase	\$ 5,009,196	\$ 1,295,250	\$ 251,888
Percentage of Increase	28.0%	5.7%	1.0%

**FISCAL IMPACT:** The appropriations limit increased \$251,888 to \$24.5 million or 1.0% from 2013-14 to 2014-15.

**ATTACHMENTS:**

1. Draft Resolution

Report Prepared By: Tori Hannah  
Finance Director

Reviewed and Forwarded  
By City Manager:



RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA  
SETTING THE 2014-2015 FISCAL YEAR APPROPRIATION LIMIT PURSUANT  
TO ARTICLE XIIB OF THE CALIFORNIA CONSTITUTION**

**WHEREAS**, before June 30 of each year, the City Council must select the factors to calculate the appropriation limit for the ensuing fiscal year and set the appropriation limit accordingly.

**NOW, THEREFORE, BE IT HEREBY RESOLVED** by the City Council of the City of Capitola that the 2014-2015 Fiscal Year Appropriation Limit shall be \$ 24,471,912 calculated as follows:

Population change within the county:	1.0127
Change in California per capita Income	0.9977
2013-14 Appropriation Limit:	\$ 24,220,024
Adjustment Factor (1.0127 x 1.0023)	x 1.0104
2014-15 Appropriation Limit:	<u>\$ 24,471,912</u>

**I HEREBY CERTIFY** that the foregoing Resolution was passed and adopted by the City Council of the City of Capitola on the 12<sup>th</sup> day of June, 2014, by the following vote:

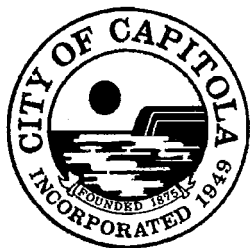
- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

ATTEST:

\_\_\_\_\_, CMC  
Susan Sneddon, City Clerk

\_\_\_\_\_  
Sam Storey, Mayor

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## CITY COUNCIL AGENDA REPORT

**MEETING OF JUNE 12, 2014**

FROM: CITY MANAGER AND FINANCE DEPARTMENTS

SUBJECT: ADOPTION OF THE 2014/2015 FISCAL YEAR BUDGET FOR THE CITY OF CAPITOLA GENERAL FUND AND THE CAPITAL IMPROVEMENT BUDGETS

**RECOMMENDED ACTION:** Approve the Resolution adopting the Final 2014/2015 Fiscal Year City, and Capital Improvement Program (CIP).

**BACKGROUND:** On May 21, 2014, the proposed Fiscal Year 2014/2015 Budget was released. The City Council/Successor Agency held joint public budget hearings on May 21, 2014, May 29, 2014, and June 4, 2014, to review the draft budget, take public comment, and receive input from the Finance Advisory Committee. At the June 4, 2014, budget hearing, City Council directed staff to prepare a Resolution to adopt the budget with cost neutral General Fund adjustments. The FY 14/15 Budget includes the following capital purchases from the Equipment Replacement Fund: A hybrid or electric Building Department vehicle; and a Public Works pick-up truck.

Details regarding these changes, along with internal corrections/adjustments to year-end estimates are included with the Resolution (Attachment 1).

**DISCUSSION:** At the June 4, 2014, City Council meeting staff was directed to prepare a draft Resolution to adopt the Proposed Budget with the following adjustments:

FY 14/15 General Fund Adopted Budget	Adjustment Amount
Community Groups	\$16,000
ADA Maintenance and Projects	10,000
Path Maintenance – Grand and Prospect Paths	7,000
Transfers to Facility Fund (Net of \$37,000 increase – \$20,000 PEG)	17,000
Museum Funding	10,000
Chamber of Commerce	1,000
Debt Service – Offset from Parking Fund	(15,200)
CIP Transfers – Elimination of Bridge Study	(45,000)
<b>Net Difference – General Fund</b>	<b>(\$800)</b>

A budget adjustment in the amount of \$40,000 has been included in the FY 14/15 Public Art Fund to reflect anticipated revenues from a significant development project.

**Item #: 10.A. Staff Report.pdf**

JUNE 12, 2014, CITY COUNCIL STAFF REPORT  
2014/2015 FISCAL YEAR BUDGET

The Resolution necessary to adopt the Fiscal Year 2014/2015 Budget, details adjustments/corrections, and estimated fund balances as presented in the attachments (Exhibits A, B, and C). This schedule also includes the corresponding transfers related to the preceding table.

**FISCAL IMPACT:** The fiscal impact by adopting the City Budget is represented in the attached General Fund Overview and Summary by Fund. The Fiscal Year 2014/2015 Adopted Budget, excluding the \$475,000 distribution of fund balance, represents a balanced General Fund budget. The FY 14/15 net operating surplus is anticipated to be \$13,689, with a projected General Fund balance of \$198,376.

**ATTACHMENTS:**

1. Draft Resolution

Report Prepared By:     Tori Hannah  
                                  Finance Director

Reviewed and Forwarded  
by City Manager: 

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA AND THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY ADOPTING THE 2014/2015 FISCAL YEAR CITY BUDGET AND CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET**

**WHEREAS**, it is necessary to adopt the 2014/2015 Fiscal Year Budget for all City funds and Capital Improvement Program; and

**WHEREAS**, the City Council has conducted budget study sessions, has heard and considered public comments, and has modified the proposed budget accordingly, and wishes to adopt such budget for the Fiscal Year July 1, 2014 through June 30, 2015; and

**NOW, THEREFORE, BE IT HEREBY RESOLVED** by the City Council of the City of Capitola that the 2014/2015 Fiscal Year Budget is hereby adopted as amended, including Exhibit A (Changes to Proposed Budget), Exhibit B (General Fund Overview), and Exhibit C (Summary by Fund) to this Resolution; and

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

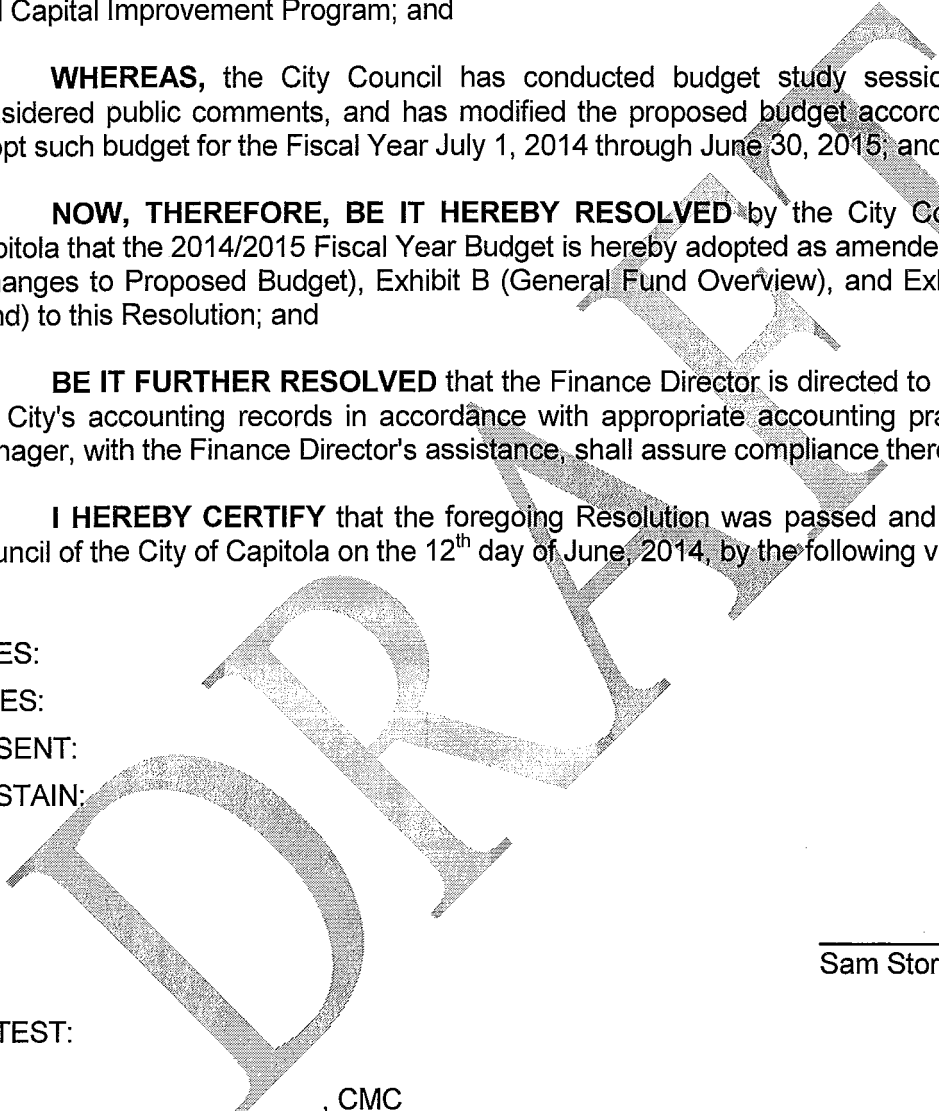
**I HEREBY CERTIFY** that the foregoing Resolution was passed and adopted by the City Council of the City of Capitola on the 12<sup>th</sup> day of June, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:



\_\_\_\_\_  
Sam Storey, Mayor

ATTEST:

\_\_\_\_\_, CMC  
Susan Sneddon, City Clerk

## EXHIBIT A

## Changes to Proposed Budget

		Incr./((Decr.))
FY14/15 Budget Amendments		
FY 14/15 Revenues /Resources	Acct #	Amount Incr./((Decr.))
Transfer in from General Fund (Pacific Cove Debt)	1420-00-00-000-3910.100	\$ (15,200.00)
Transfer in from Parking Reserve (Pacific Cove Debt)	1420-00-00-000-3910.316	15,200.00
Transfer in from General Fund (Emerg. Fund Incr.)	1020-00-00-000-3910.100	25,000.00
Transfer in from General Fund (Emerg. Fund Incr.)	1025-00-00-000-3910.100	(25,000.00)
Transfer in from General Fund (Facilities)	1025-00-00-000-3910.100	(20,000.00)
Transfer in from General Fund (CIP)	1010-00-00-000-3910.100	(45,000.00)
Transfer in from General Fund (Facilities)	1025-00-00-000-3910.100	37,000.00
Public Art - Major Project	1315-00-00-000-3460.053	\$40,000.00
<b>Total Revenue Changes - All Funds</b>		<b>\$12,000</b>
FY 14/15 Expenditures/Transfers	Acct #	Amount
Transfer out from General Fund (Pacific Cove Debt)	1000-99-99-000-4910.420	\$ (15,200)
Transfer out from Parking Reserve (Pacific Cove Debt)	1316-00-00-000-4910.420	15,200
Transfer out from General Fund (Emerg. Fund Incr.)	1000-99-99-000-4910.102	25,000
Transfer out from General Fund (Emerg. Fund Incr.)	1000-99-99-000-4910.104	(25,000)
Transfer out from General Fund (Facilities)	1000-99-99-000-4910.104	(20,000)
Transfer out from General Fund (Facilities)	1000-99-99-000-4910.104	37,000
PEG - Community Room Improvements	1320-00-00-000-4650.400	20,000
Transfer out from General Fund (CIP)	1000-99-99-000-4910.101	(45,000)
GF: Chamber of Commerce	1000-00-00-000-4305.106	1,000
GF: CBHHSP - Changes to funded organizations	1000-10-18-000-4600.xxx	16,000
GF: PW Streets - ADA maintenance	1000-30-31-310-4355.365	10,000
GF: Cultural & Leisure - Museum	1000-50-51-000-4450.500	10,000
GF: PW Streets - Path maintenance	1000-30-30-000-4355.401	7,000
Facilities - Community Room Improvements <sup>(1)</sup>	1025-00-00-000-4650.XXX	75,000
<b>Total Expenditure/Transfer Changes - All Funds</b>		<b>\$ 111,000.00</b>
FY15/16 Planned		
FY15/16 Expenditure	Acct #	Amount
Chamber of Commerce	1000-00-00-000-4305.106	\$ 1,000.00
CBHHSP - Changes to funded organizations	1000-10-18-000-4600.xxx	\$ 22,750.00
<b>Total Expenditure Changes - All Funds</b>		<b>\$ 23,750.00</b>

(1) The establishment of the Facilities Reserve Fund was approved as part of the FY 14/15 Budget Study Sessions  
At the time the Proposed Budget was prepared, specific project funding was not yet determined



## EXHIBIT B

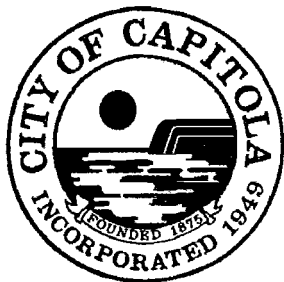
## General Fund Summary

Major Categories	FY 13/14 Adopted	FY 13/14 Estimated	FY 14/15 Proposed	FY 15/16 Planned
<b>Revenue</b>				
Taxes	\$10,521,400	\$10,990,051	\$11,098,500	\$11,310,100
Licenses and permits	224,600	235,550	254,450	257,850
Intergovernmental revenues	229,200	282,268	168,700	163,700
Charges for services	1,980,400	1,999,500	1,921,400	1,773,900
Fines and forfeitures	707,500	725,200	718,800	718,800
Use of money & property	19,300	34,300	51,800	51,800
Other revenues	74,200	77,145	70,400	70,400
Other financing sources	-	-	-	-
Extraordinary items	-	-	-	-
<b>Revenue Totals</b>	<b>\$13,756,600</b>	<b>\$14,344,014</b>	<b>\$14,284,050</b>	<b>\$14,346,550</b>
<b>Expenditures</b>				
Personnel	\$7,768,290	\$7,780,587	\$7,985,744	\$8,242,040
Contract services	2,505,500	2,645,689	2,741,130	2,749,380
Training & Memberships	72,280	78,004	83,545	81,545
Supplies	523,600	518,432	550,000	549,800
Grants and Subsidies	254,270	254,270	254,270	254,270
Capital outlay	5,000	27,531	10,000	40,000
Internal service fund charges	892,925	892,925	850,647	922,613
Other financing uses <sup>(1)</sup>	1,711,912	2,233,725	2,270,025	1,511,065
<b>Expenditure Totals</b>	<b>\$13,733,777</b>	<b>\$14,431,163</b>	<b>\$14,745,361</b>	<b>\$14,350,713</b>
<b>Impact on Fund Balance <sup>(1)</sup></b>	<b>\$ 22,823</b>	<b>\$ (87,149)</b>	<b>\$ (461,311)</b>	<b>\$ (4,163)</b>
<b>Estimated Ending Fund Balance</b>	<b>\$ 769,659</b>	<b>\$ 659,687</b>	<b>\$ 198,376</b>	<b>\$ 194,213</b>

(1) The FY 14/15 Other financing uses category includes transfers of \$475,000 to reallocate the prior year Estimated Fund Balance

## EXHIBIT C

Fund Title	Estimated Balance 07/01/2014	Revenues	Transfers In	Expenditures	Transfers Out	Estimated Balance 06/30/2015
<b>General Fund</b>	\$ 659,687	\$ 14,284,050	\$ -	\$ 12,475,336	\$ 2,270,025	\$ 198,376
<b>Designated Reserves</b>						
Contingency Reserve	\$ 1,621,346	-	\$ 182,600	-	-	\$ 1,803,946
Emergency Reserve	584,106	-	\$ 465,100	-	-	\$ 1,049,206
Facility Reserve	-	-	\$ 167,000	75,000	-	\$ 92,000
<b>Total Designated Reserves</b>	<b>\$ 2,205,452</b>	<b>-</b>	<b>\$814,700</b>	<b>-</b>	<b>-</b>	<b>2,945,152</b>
<b>Debt Service</b>						
Pension Obligation Bond	\$ 482,214	\$ -	\$ 675,900	\$ 672,900	\$ -	\$ 485,214
Pac Cove Lease Financing	319,788	-	165,065	165,066	-	319,787
Pac Cove Park	-	-	85,860	85,440	-	420
OPEB Trust Fund	42,000	-	39,500	-	-	81,500
<b>Total Debt Service</b>	<b>844,002</b>	<b>-</b>	<b>966,325</b>	<b>923,406</b>	<b>-</b>	<b>886,921</b>
<b>Capital Improvement Fund</b>	<b>\$ 798,839</b>	<b>\$ -</b>	<b>\$ 864,900</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,663,739</b>
<b>Internal Service Funds</b>						
Stores Fund	\$ 2,693	\$ 39,100	\$ -	\$ 39,100	\$ -	\$ 2,693
Information Technology	147,623	133,468	-	200,000	-	81,091
Equipment Replacement	113,297	68,147	-	60,000	-	121,444
Self-Insurance Liability	241,838	249,300	-	249,300	-	241,838
Workers Compensation	321,853	364,100	-	364,100	-	321,853
PERS	-	-	-	-	-	-
Compensated Absences	68,274	110,000	-	90,000	-	88,274
<b>Total Internal Service Funds</b>	<b>\$ 895,578</b>	<b>\$ 964,115</b>	<b>\$ -</b>	<b>\$ 1,002,500</b>	<b>\$ -</b>	<b>\$ 857,193</b>
<b>Special Revenue Funds</b>						
SLESF - Supplemental Law Enforce	\$ 100,864	\$ 100,100	\$ -	\$ 61,700	\$ -	\$ 139,264
SCCACT - SCC ANTI CRIME TEAM	-	75,070	-	75,070	-	-
Gas Tax Fund	42,168	261,725	-	279,225	-	24,668
Wharf Fund	43,892	84,850	-	84,850	-	43,892
Development Fees Fund	-	-	-	-	-	-
General Plan Update and Maint	85,445	80,000	-	144,300	-	21,145
Green Building Education Fund	99,994	7,500	-	9,000	-	98,494
Public Arts Fee Fund	144,713	60,000	-	38,300	-	166,413
Parking Reserve Fund	21,298	100,000	-	100,000	-	21,298
Technology Fee Fund	39,337	9,650	-	10,000	-	38,987
PEG - Public Education and Gov.	31,251	19,050	-	30,000	-	20,301
BIA - Capitola Village-Wharf BIA	1,264	65,000	-	64,700	-	1,564
CDBG Grants	7,457	-	-	-	-	7,457
CDBG Program Income	(2,841)	-	-	-	-	(2,841)
CDBG Prog Inc	-	-	-	-	-	-
HOME Reuse Fund	37,282	12,300	-	3,200	-	46,382
HOME Grant Fund	-	-	-	-	-	-
Housing Trust Fund	128,049	12,000	-	65,000	-	75,049
BEGIN Grant Fund	-	-	-	-	-	-
Former RDA Low/Mod	-	-	-	-	-	-
Cap Hsg Succ- Program Income	56,992	-	-	45,000	-	11,992
<b>Total Special Revenue Funds</b>	<b>\$ 837,165</b>	<b>\$ 887,245</b>	<b>\$ -</b>	<b>\$ 1,010,345</b>	<b>\$ -</b>	<b>714,065</b>
<b>Successor Agency</b>	<b>\$ 602,370</b>	<b>\$ 1,156,089</b>	<b>\$ -</b>	<b>\$ 1,156,089</b>	<b>\$ -</b>	<b>602,370</b>
<b>Total Fund Balance - All Funds</b>	<b>\$ 6,843,093</b>	<b>\$ 17,291,499</b>	<b>\$ 2,645,925</b>	<b>\$ 16,567,676</b>	<b>\$ 2,270,025</b>	<b>\$ 7,867,816</b>



## CITY COUNCIL AGENDA REPORT

**MEETING OF JUNE 12, 2014**

FROM: CITY MANAGER'S DEPARTMENT

SUBJECT: APPOINT CITY ATTORNEY ANTHONY CONDOTTI; AND APPROVE FOURTH AMENDMENT TO THE AGREEMENT FOR CITY ATTORNEY SERVICES WITH ATCHISON, BARISONE, CONDOTTI & KOVACEVICH

**RECOMMENDED ACTION:** (1) Approve the Fourth Amendment to the Agreement for City Attorney Services with Atchison, Barisone, Condotti & Kovacevich in the amount of \$133,560; authorize the City Manager to execute the agreement; and (2) Appoint Anthony Condotti as City Attorney effective April 1, 2015.

**BACKGROUND:** In Fiscal Year 2001-2002, the City transitioned from an in-house staff City Attorney to a contract City Attorney with John G. Barisone from the law firm of Atchison, Barisone, Condotti & Kovacevich (Firm) for general and special legal services. The current amended contract will expire on June 30, 2015, and the Firm has proposed a one-year contract with no change in compensation from the Fiscal Year 2010-2011 amount. In addition, Mr. Barisone has announced his retirement on March 31, 2015 therefore necessitating the appointment of a new City Attorney.

**DISCUSSION:** The Firm of Atchison, Barisone, Condotti & Kovacevich has been providing full-time City Attorney services since 2001. John Barisone has been the City Attorney since the Firm was retained by the City. Mr. Barisone has announced his retirement effective in March of 2015, therefore as part of the approval of the contract amendment, staff is recommending the appointment of Anthony (Tony) Condotti as the new City Attorney effective April 1, 2015. Mr. Condotti has been with the Firm since 1993 and has served as the Assistant City Attorney for the City, as well as the city of Santa Cruz. He has also served as the City Attorney for Half Moon Bay.

The Firm has submitted a contract proposal for a term of one-year at the same rates. The retainer fee includes attendance at City Council meetings and other meetings as requested; office hours at City Hall; day-to-day legal work required by the various departments; assistance to the City Council; and participation in various training programs.

Additionally, the Firm provides special legal services at a current rate of \$225 per hour for attorneys and \$85 per hour for paralegals. Special legal services are composed of: Litigation, arbitration, mediation or hearings commenced or defended by the City, civil or administrative municipal code enforcement, and criminal municipal code prosecutions. These services are provided only upon assignment by the City Council or City Manager.

**FISCAL IMPACT:** The ongoing fiscal impact would be \$133,560 per year for general legal services which is contained in the proposed Fiscal Year 2014-2015 Budget. Special litigation services are budgeted separately depending upon the anticipated litigation.

**ATTACHMENT:**

1. Fourth Amendment to Agreement for City Attorney Services.

Report Prepared By: Lisa G. Murphy  
Administrative Services Director

Reviewed and Forwarded  
by City Manager:

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FOURTH AMENDMENT TO AGREEMENT FOR LEGAL SERVICES

THIS FOURTH AMENDMENT TO AGREEMENT FOR LEGAL SERVICES is made and entered into this first day of July, 2014 by and between the City of Capitola, a municipal corporation, hereinafter referred to as "City" and Atchison, Barisone, Condotti & Kovacevich, a professional corporation, hereinafter referred to as "Law Firm" and is made with reference to, and will serve to amend, that certain agreement for legal services entered into on or about July 1, 2010, first amended on July 1, 2011, amended a second time on July 1, 2012, and amended a third time on July 1, 2013, between the City and Law Firm pursuant to which Law Firm agreed to provide legal services to the City for the 2010/2011 fiscal year (hereinafter referred to as the "2010/2011 Agreement").

NOW THEREFORE, the parties agree as follows:

1. Paragraph 2 of the 2010/2011 Agreement as amended on July 1, 2011, on July 1, 2012, and on July 1, 2013, is hereby amended to read as follows: "2. The term of this Agreement shall commence on July 1, 2014 and shall continue through June 30, 2015. Accordingly, the remaining term of this Agreement shall cover one fiscal year. For fiscal year 2014/2015, the annual compensation amounts and rates specified elsewhere in this Agreement shall remain in full force and effect."

2. Except as hereby expressly amended, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Fourth Amendment to 2010/2011 Agreement for Legal Services the day and year first written above.

"CITY"

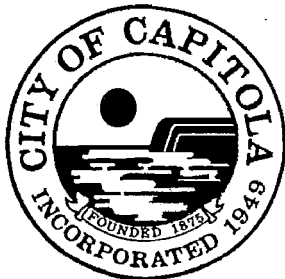
CITY CAPITOLA, a  
Municipal Corporation

ATCHISON, BARISONE,  
CONDOTTI & KOVACEVICH,  
A Professional Corporation

By: \_\_\_\_\_  
JAMIE GOLDSTEIN,  
CITY MANAGER

By: \_\_\_\_\_  
JOHN G. BARISONE

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## CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 12, 2014

FROM: DEPARTMENT OF PUBLIC WORKS

SUBJECT: OPEN STREETS CAPITOLA  
POST EVENT REPORT

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**RECOMMENDED ACTION:** Accept report and provide direction to staff.

**BACKGROUND:** The City hosted the first ever Open Streets Capitola event on Sunday May 4, 2014. The event consisted of road closures on the Esplanade, San Jose Avenue and Monterey Avenue south of Capitola Avenue. The purpose of the event was to complete a pilot project of a car-free pedestrian space in the Village while promoting the new Beach and Village Parking Lot 2.

The roads were closed at 6 a.m. to prevent morning traffic from occupying the street. Event coordinators began setting up at 7 a.m., informational booths were set up at various locations throughout the closed area between 8 a.m. and 10 a.m. The event officially operated between 11 a.m. and 4 p.m. and the roads were reopened by 4:30 p.m.

As part of the post event evaluation process City staff has collected feedback from several sources including Saskia Lucas with Open Streets Santa Cruz County who coordinated the event, and the village merchants. In addition, two surveys were completed by a local polling company. The first was a participant survey taken during the event; the second was a polling of the businesses in the Village taken after the event.

Saskia Lucas will be presenting a report at the Council meeting. The Attachments include an After Action Report from the Police Department, participant survey results, an executive summary of merchant polling, and survey results directly from the Capitola Village & Wharf Business Improvement Area Advisory Committee (CVWBIA).

**DISCUSSION:** The Open Streets event was attended by approximately 6,500 participants based on counts completed by personnel manning barricades at the road closures. The event date coincided with the opening of the new 220-space Beach and Village Parking Lot 2. The City operated the Beach Shuttle during the event out of the new parking lot from 10:00 a.m. to approximately 5:00 p.m. with 295 riders utilizing this service. City staff spent approximately 140 hours in planning and coordination efforts on this event; this time was predominantly spent by the Public Works Director and an Administrative Assistant.

The City partnered with Saskia Lucas of Open Streets Santa Cruz County to organize the event. Ms. Lucas's time was paid for through a grant awarded to Ecology Action by the Santa Cruz County Regional Transportation Commission. This work included community outreach, coordination with Village residents and merchants, sponsorship and support outreach, event promotion, event programming and planning, volunteer coordination, and other related tasks and a total 690 hours of effort. In addition to this time, 40 volunteers worked 175 hours at the event.

A summary of the participant's survey conducted during the event resulted in the following:  
(The full survey results are included as Attachment 1)

- 81% arrived by foot or bicycle, 13% by automobile
- 32% were residents of Capitola, 5% coming from out of the county
- 99% indicated they would like the event repeated
- 50% indicated they discovered new businesses

The Village merchants were provided two opportunities to participate in surveys after the event.

## Item #: 10.C. Staff Report.pdf

JUNE 12, 2014 AGENDA REPORT  
OPEN STREETS POST EVENT REPORT

One was conducted by the same firm that completed the participant survey, the second by the CVWBIA itself. While the two surveys do not completely agree with each other the following results seem to be consistent with both surveys: (Survey summaries are included as Attachments 2 & 3)

- Majority would support the event happening again with maybe some consideration of the timing of the event to a slower period of the year.
- The food merchants on average had better than usual days, while the retail merchants has slower than average days.

The Police Department reported there were no unusual police actions required during the event. Two cars were marked for towing, but their owners showed up prior to the tow and moved their cars. The Police Department after action report is included as Attachment 4.

From a programming perspective six musical performances occurred, 18 activities and presenter/informational booths were present, and 91 total bicycles took advantage of on-street valet parking. Promotion of the event included press releases, posters, school fliers, and other media outreach efforts. 14 sponsors provided \$12,000 in in-kind or direct support for the event. The City expended \$4,400 for supplies, performance costs, and survey costs.

As a first time event staff believes there were many positives that resulted while also identifying room for improvement should this type of event be help in the future.

The positives were:

- A safe pedestrian environment was provided.
- The event was predominantly support by locals.
- The event was well produced by Saskia Lucas and went off without any major issues.

Some of the concerns heard by staff include:

- Handicap access was limited inside the closures.
- Groups congregated at activity centers, areas with no activities were relatively vacant.
- Advertised time for the event did not coincide with street closure times.

Looking to the future, if the City Council wants to host other similar events the City needs to designate a lead staff person to coordinate the event with Open Streets or other organizers. Utilizing existing Art and Cultural Commission staff who organizes their events would make sense and would require increasing their hours by 80 hours at a cost of approximately \$2,400.

**FISCAL IMPACT:** The City's direct costs of \$4,400 were offset by a \$500 donation from the Arts Council of Santa Cruz County. The City's staff time costs were estimated at \$11,300 without overhead. If the Regional Transportation Commission continues to fund Open Streets Santa Cruz County's time for planning and programming a future event, the direct costs to the City should remain in the \$4,000 - \$5,000 range. With the staffing change recommended in this report of increasing the hours of the Administrative Assistant to the Arts Commission time by 80 hours the City's staff time costs could be reduced to approximately \$7,400.

### **ATTACHMENTS:**

1. Participant Survey and results
2. BIA Conducted Survey results
3. Merchant survey summary
4. Police After Action Report

Report Prepared By: Steven Jesberg  
Public Works Director

Reviewed and Forwarded  
By City Manager: 



**Open Streets Capitola Participant Survey Questions**  
**Sunday, May 4, 2014**  
Draft 4.2.14

1. Male / Female

1.a. Did you come with your family? How many family members are with you?

2. What age bracket do you fall in?  0-17  18-40  41-62  63 or older

3. How did you hear about today's event?  newspaper article  Facebook  word of mouth  email/web  
 poster/flier  Good Times ad  n/a, I happened upon it  Other:

4. What drew you to today's event? (check all that apply)

Closed road for walking, bicycling & playing  Free activities, music & info booths  Community and family fun  Other:

5. How did you arrive at today's event? Did you bicycle / walk / take bus / or drive?

6. Where do you live?  Capitola  Soquel  Live Oak  Pleasure Point  Aptos  Santa Cruz   
Watsonville  San Lorenzo Valley  Other: \_\_\_\_\_

7. Would you like to see this event happen again?  yes  no

8. Would you spend more time in Capitola Village if the Esplanade was periodically closed to car traffic?

9. Have you spent money at any Capitola Village shops or restaurants today? If not, do you expect to? How much money have you spent or expect to spend?

10. Did you learn about any new Capitola Village businesses that you weren't aware of before?

9. Do you have any suggestions for future events? General comments?

13. If you bicycled, walked or took the bus to today's event and would like to enter free raffle to win a \$500 gift certificate from Family Cycling Center, please provide your contact information

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

14. Would you like to be contacted about: a) Open Streets updates and future events b) volunteer opportunities? c) make a donation  yes  no

Please provide your contact information

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

# Open Streets Capitola Particip...

## Survey Results

Question

**01**

What is your gender?

Answers

**421**

98%

Skips

**7**

2%

	COUNT	PERCENT
Female	243	58%
Male	176	42%
Other Option	1	0%

Question

**02**

Did you come with your family? If so, how many family members are with you?

Answers

**419**

98%

Skips

**9**

2%

	COUNT	PERCENT
2	112	27%
1	96	23%
I did not come with my family	94	22%
3	48	11%
4	39	9%

Question

**03**

How old are you?

Answers

**424**

99%

Skips

**4**

1%

	0%	25.5%	51%	COUNT	PERCENT
41-62				212	50%
18-40				122	29%
63+				67	16%
0-17				23	5%

Question

**04**

How did you hear about today's event? (Check all that apply)

Answers

**421**

98%

Skips

**7**

2%

	0%	12.5%	25%	COUNT	PERCENT
Word of Mouth				150	25%
Newspaper Article				126	21%
Poster/Flier				71	12%
Email/Web				65	11%
Good Times ad				56	9%
Other Option				51	8%
Facebook				48	8%

I just happened upon it

39

6%

Question

05

What drew you to today's event? (Check all that apply)

Answers

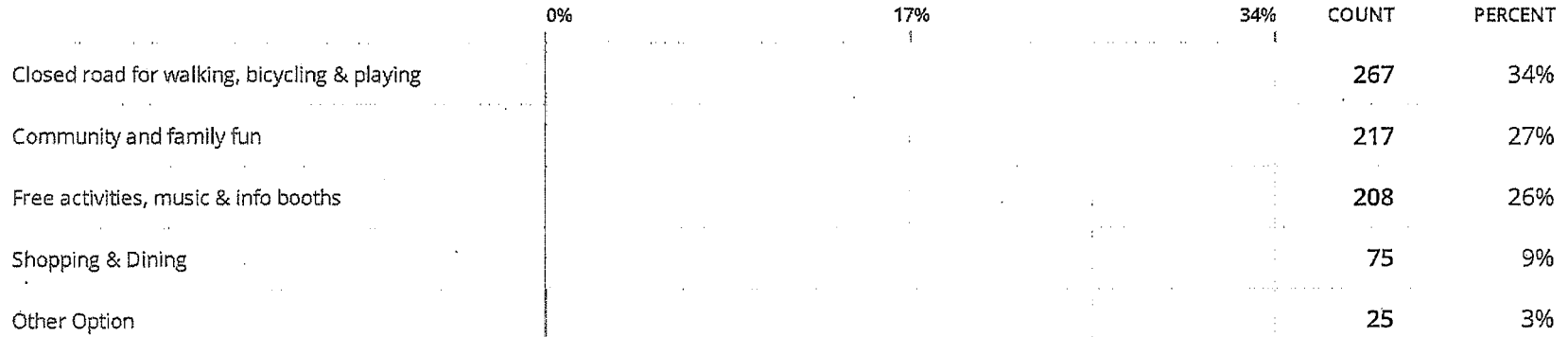
425

99%

Skips

3

1%



Question

06

How did you arrive at today's event?

Answers

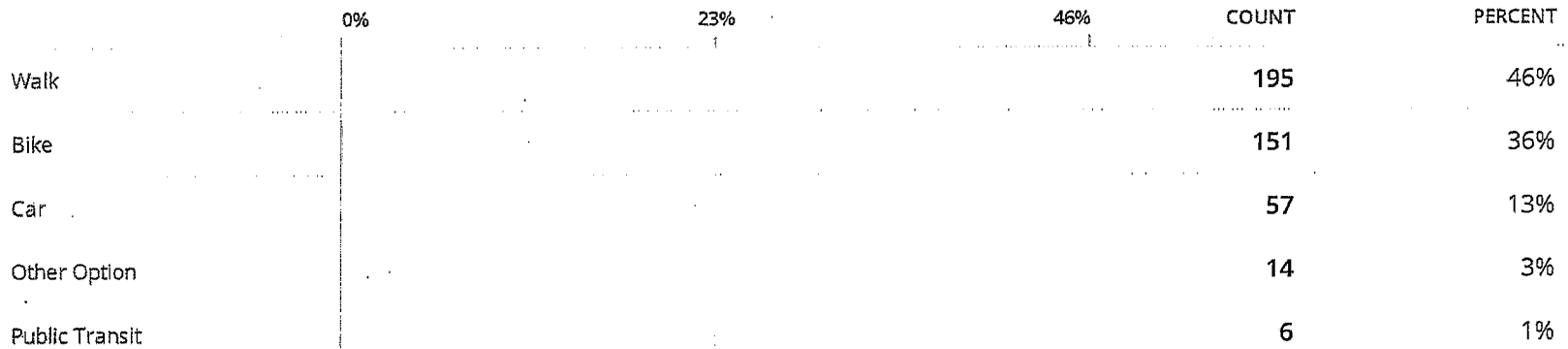
425

99%

Skips

3

1%



PAGE 3

Question  
**07**

Was the available parking satisfactory?

Answers  
**56**  
13%

Skips  
**372**  
87%

	0%	45%	90%	COUNT	PERCENT
Yes				50	89%
No				6	11%

PAGE 4

Question  
**08**

Where do you live?

Answers  
**423**  
99%

Skips  
**5**  
1%

	0%	16.5%	33%	COUNT	PERCENT
Capitola				136	32%
Santa Cruz				81	19%
Soquel				47	11%
Live Oak				46	11%
Aptos/Rio Del Mar				36	9%
Other Option				22	5%

5/9/2014

'Open Streets Capitola Particip' Survey Results | PollDaddy.com

Pleasure Point	20	5%
I live outside of the county	18	4%
Watsonville	8	2%
San Lorenzo Valley	5	1%

Question  
**09**

Would you like to see this event happen again?

Answers: **420** (98%)  
Skips: **8** (2%)

	COUNT	PERCENT
Yes	415	99%
No	5	1%

Question  
**10**

Would you spend more time in Capitola Village if the Esplanade was periodically closed to car traffic?

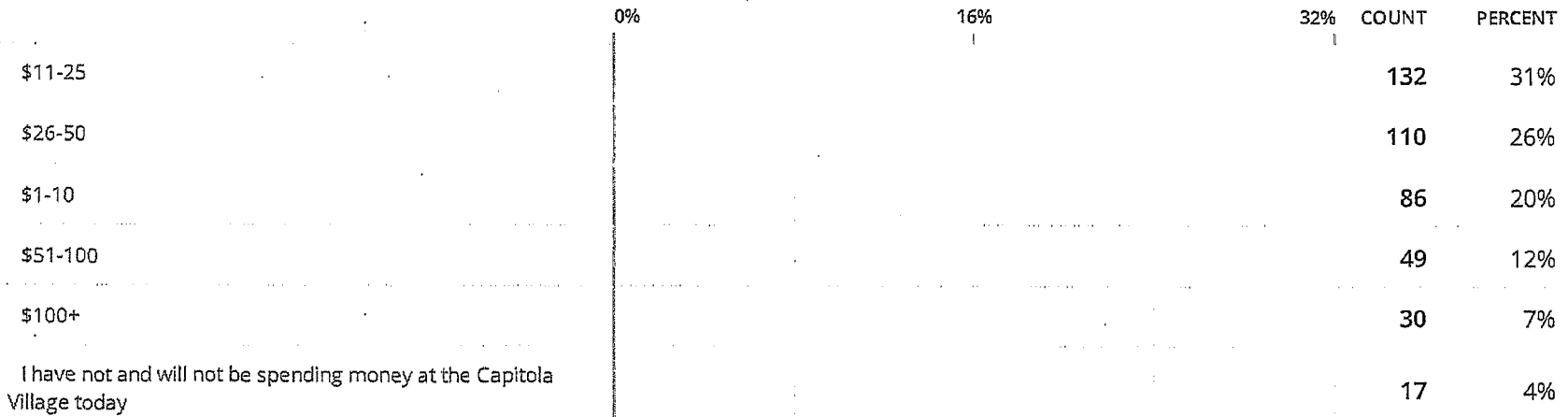
Answers: **422** (99%)  
Skips: **6** (1%)

	COUNT	PERCENT
Yes	382	91%
No	40	9%

Question  
**11**

How much money have you spent, or do you expect to spend at the Capitola Village today?

Answers: **424** (99%)  
Skips: **4** (1%)



Question  
**12**

Did you learn about any new Capitola Village businesses that you weren't aware of before?

Answers **423** 99%  
Skips **5** 1%



Question  
**13**

Do you have any suggestions for future events? General comments?


Answers **168** 39%  
Skips **260** 61%




Keep it up, more music and dance. A couple food vendors out on the esplanade from the local restaruants would be great. I did not want to come in a sit down and miss anything.

Tuesday, May 6th  
3:35AM


88,573,409

 No  
88,565,502


Monday, May 5th  
6:17AM

 Lower parking prices  
88,565,501


Monday, May 5th  
6:10AM

 What do disabled people do  
88,565,498

Monday, May 5th  
5:57AM

 Love this, wish more cities did this kind of thing  
88,565,496

Monday, May 5th  
5:38AM

 Well to be honest i think a drawing contest is necessary  
88,565,492

Monday, May 5th  
5:28AM

Question  
**14**

Would you like to enter a free raffle to win a \$500 gift certificate from Family Cycling Center?

Answers  
**423**  
99%

Skips  
**5**  
1%



PAGE 5

Question

Answers

Skips



Please take a moment to fill out this brief survey. Please return to your block captain, fax to 597-5228 or drop off at the Craft Gallery. It is important that we accurately evaluate how Open Streets worked or did not work for the businesses so please complete this survey. Any additional feedback would be welcome.

Type of business: Retail  X  Food Service \_\_\_\_\_ Other \_\_\_\_\_

Our sales for Sunday 5/4 compared to Saturday 5/3 were higher  5   
the same  2  lower  16

Compared to other Sunday's this time of year, our sales for 5/4/14 were  
higher  7  The same  5  lower  9

We received exposure to new customers : A lot  3  A little  7   
Don't know  11

I would like to see the event happen again: Yes  11  No  6  Don't  
Know  4

If yes, how many times a year? ONCE 7 TWICE 3 MORE 4

If yes, what months (s)? SPRING ONLY 5 FAL ONLY 1 BOTH 6  
1

Quantity of activities on the street: Enough  3  Too much  1  Not  
enough  9

What impact did the Kite Contest have on the day and attendance?  
None  12  Little  3  Lots  1

Any Positive comments from customers?

Any Negative comments from customers?

Additional feedback:

Your Block Captain is:

**Item #: 10.C. Attach 2.pdf**

**Please take a moment to fill out this brief survey. Please return to your block captain, fax to 597-5228 or drop off at the Craft Gallery. It is important that we accurately evaluate how Open Streets worked or did not work for the businesses so please complete this survey. Any additional feedback would be welcome.**

**Type of business: Retail \_\_\_\_\_ Food Service X Other \_\_\_\_\_**

**Our sales for Sunday 5/4 compared to Saturday 5/3 were higher 4  
the same 1 lower 2**

**Compared to other Sunday's this time of year, our sales for 5/4/14 were  
higher 4 The same 3 lower 1**

**We received exposure to new customers : A lot \_\_\_\_\_ A little 4  
Don't know 4**

**I would like to see the event happen again: Yes 5 No 2 Don't  
Know 1**

**If yes, how many times a year? ONCE 2 TWICE 1 MORE 2**

**If yes, what months (s)? SPRING ONLY 3 FALL ONLY 0 BOTH 1**

**Quantity of activities on the street: Enough 1 Too much 2 Not  
enough 2**

**What impact did the Kite Contest have on the day and attendance?  
None 5 Little 2 Lots 1**

**Any Positive comments from customers?**

**Any Negative comments from customers?**

**Additional feedback:**

**Your Block Captain is:**

BIA Survey results Open Streets 2014

We passed out about 70 surveys. 31 were returned - 23 retail 8 food service.

### **Comments on Food Surveys:**

#### **Positive from Customers:**

Regular/local people think that's a good idea. Hardly see any tourist around.  
Loved that they could sit outside.

#### **Negative from customers:**

Some customers think that they are trapped. Too long of a walk to go back.  
Wasn't advertised enough.  
No parking protection for handicapped.  
Locals not involved. Parking too far way. Not enough parking.

**Additional Feedback:** We were lucky that it was a very nice and sunny day. If it is a cold or cloudy day, business could be horrible. We had a great & Successful day. Thank you for trying new ways to bring more business to Capitola.

Hard to gauge, but not sure raffle was worth the hassle.

### **Comments on Retail Surveys:**

**Positive from Customers:** People with children loved it.

Positive feedback from customers with children.  
They liked the sidewalk sales and festive atmosphere.  
They appeared to be having fun and in good spirits.  
People were happy there was merchandise outside some shops.  
Liked the bike rodeo for kids.  
Skateboarders loved it

#### **Negative from Customers:**

Clients wanted to come to pick up paintings but could not park so they turned around and went home  
Not enough advertising. Did not know it was happening.  
Not enough knowledge beforehand, need more advertising.  
Not enough going on  
Parking, traffic, not enough going on

#### **Additional Feedback:**

Closing off San Jose Avenue was necessary I guess, however, 10 potted bamboo plants did not create any excitement or foot traffic. It was a ghost street.  
Should be on a day we need traffic – Tues/Weds/Thurs  
Car Show and Art & Wine add to our business. Open streets was dismal in sales Awful, I prefer not to have open streets again  
I thought it was a valid event. It just needs to happen in slower months. We already get enough people in town in May.  
Should be on Earth Day.  
Great event for west cliff but maybe not the village.

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## Capitola Village Merchants Open Streets Survey Results

*Draft 5.28.14*

### EXECUTIVE SUMMARY

Civinomics collected 45 survey responses over the period of 7 business days in the Capitola Village. The purpose of the survey was to collect feedback from merchants regarding the impact of the Open Streets event that took place on Sunday May 4<sup>th</sup>, 2014. Every business with a storefront was contacted to do the survey and 43 of the 45 responses were collected via in-person iPad interviews. Of those surveyed, 89 percent (40) self-identified as either an owner or manager. The most common type of business surveyed was retail, which accounted for 58 percent of all respondents (26). 29 percent (13) of the businesses identified themselves as food and drink establishments.

Overall support for the Open Streets event is strong, with 80 percent of those surveyed saying that they would like to see the event happen again. However, merchants were divided as to how effective the event was from an economic standpoint. In response to questions relating to business performance on that day, some merchants answered that they did much better than usual; while others answered that they did much worse. 33 percent (15) of those surveyed stated that their business did about the same as usual on the day of the event, while 31 percent (14) answered that their business did worse. 31 percent (14) answered that their business did better than usual on the day of the event.

As for the direct estimated impact on sales, 28 percent (13) of those surveyed stated that they observed "no approximate change" in sales on the day of the event. Beyond this answer, the observed impacts on sales varied widely amongst the respondents, with multiple merchants reporting heavy losses and others reporting significant increases.

When filtered by business type, retail establishments generally did worse than usual on the day of the event, with 11 of the 26 self-identified retail merchants answering



that they did worse than expected. Only 6 of 26 self-identified establishments answered that they did better than usual, with the remaining merchants answering that they either did about the same or were unsure. This is in contrast to food and drink establishments, who generally reported doing better than usual. Of the 13 food and drink merchants surveyed, 7 answered that their business did better than usual, while 5 answered that they did about the same as usual. Only 1 reported doing worse.

51 percent (23) of those surveyed felt that their business gained exposure to new potential customers as a result of the event.

In terms of open-ended feedback, Civinomics collected 119 comments from merchants, in response to the following questions: "In your opinion, what aspect of the event went well?" "In your opinion, what aspect of the event could be improved?" "Do you have any suggestions or ideas for future Open Streets Events?"

Many of the comments included general feedback about the increased number of people in the village, the family friendly atmosphere and the participation in certain activities. However, multiple merchants complained that the event could have been organized better and that businesses could have been more involved in the planning process. Additionally, many of the businesses along San Jose Ave, in particular, stated that their street needed more activities to lure in more people, and as a result their business suffered. It was observed by these merchants that San Jose Ave had far less pedestrian traffic than all of the other nearby streets.






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**INTEROFFICE MEMORANDUM**

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**TO: CAPTAIN HELD**  
**FROM: SGT. ELLER**  
**SUBJECT: AFTER ACTION REPORT FOR CAPITOLA OPEN STREETS**  
**DATE: 05/04/14**

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**CAPITOLA OPEN STREETS**

**MAY 04, 2014**

**Background of Event:** On Sunday May 4<sup>th</sup>, 2014, the first annual Capitola Open Streets will be held. The first Santa Cruz, "Open Streets" event was held on Sunday, October 7, 2012. This is the first time an Open Streets event has been held in the City of Capitola. Open Streets is a county-wide event sponsored and funded by the Santa Cruz County Regional Transportation Commission with supporting funds from the California Coastal Conservancy. The event is designed to encourage foot traffic and foster a festive atmosphere. Live bands will play throughout the day in the Mercantile Lot and Esplanade Park.

**Incident Command Responsibility:** The Capitola Police Department, "Open Streets" and the City of Capitola are the significant stakeholders in the event.

**Summary of Events and Outcomes:**

- The no parking signs were posted 72 hours prior to the event.
- Only two vehicles were in place to be towed, however owners were located.
- Road closure began at 0600 hours. Set up began as scheduled. The event started at the time listed at 1100 hours.
- Event pick up began a little before 1600 hours as scheduled. Roadway was opened at 1630 hours.
- Event was manned appropriately.
- Both Pacific Cove lots were full for most of the day. At 1330 hours only 20 spaces in lower Pacific Cove lot were empty, not counting the handicap stalls.

Matt Eller 05/04/14

Capitola Police Department, 422 Capitola Avenue, Capitola, CA 95010

Issues to be addressed at the debriefing:

1. Towing should begin at 0600hrs, rather than 0900hrs to avoid conflict with vendor set up.
2. Passes should be considered for vehicle entry, too facilitate set up.

**Personnel Deployed and Hours Worked:**

- See Operations Order for staffing.
- Total hours:

No overtime occurred as a result of this event

Volunteers            4 @ Total    30hrs

Explorers             3 @ Total    22.5hrs

**Conclusion:** This event was successful with no insurmountable issues. The event started and ended on time. **Next Step:** Debriefing with Command Staff and event organizers.

**Author of AAR:** Sergeant Matt Eller





## CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 12, 2014

FROM: DEPARTMENT OF CITY MANAGER

SUBJECT: CONSIDER APPLYING FOR THE WORLD SURFING RESERVES STATUS FOR CAPITOLA, AND SUBMITTING A LETTER OF INQUIRY

**RECOMMENDED ACTION:** Council discretion to consider directing staff to send a letter of inquiry to the Save the Waves Coalition pertaining to the City applying to be included in the World Surfing Reserve for Santa Cruz County.

**BACKGROUND:** The World Surfing Reserves (WSR) was founded in 2009 by an international group of surfers, scientists and environmentalists and is operated by the Save the Waves Coalition that identifies, designates and preserves outstanding waves, surf zones and their surrounding environments around the world.

On April 28, 2012, approximately seven miles of the Santa Cruz City and County coastline became the official fourth World Surfing Reserve in the world. The WSR currently extends from Natural Bridges State Park to Opal Cliffs. In April of this year Mayor Storey was invited to attend the Annual Santa Cruz World Surfing Reserve Summit in Santa Cruz, after which time he directed staff to agendize the consideration of extending the WSR to include Capitola.

Surfing is a significant part of the Capitola's local culture and the designation of a WSR will highlight Capitola's surf breaks and increase the visibility of our community as an ecological tourist attraction.

**DISCUSSION:** If the City Council is interest in Capitola being designated a WSR, the first step would be to submit a letter of inquiry to Save the Waves Coalition.

**FISCAL IMPACT:** None

**ATTACHMENTS:** None

Report Prepared By: Susan Sneddon  
City Clerk

Reviewed and Forwarded  
By City Manager:

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## CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 12, 2014

FROM: OFFICE OF THE CITY CLERK

SUBJECT: DESIGNATION OF VOTING DELEGATE AND ALTERNATES FOR THE 2014 LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE TO BE HELD IN LOS ANGELES SEPTEMBER 3 THROUGH SEPTEMBER 5, 2014

**RECOMMENDED ACTION:** Designate Capitola's Voting Delegate and Alternate(s) for the 2014 League of California Cities Annual Conference.

**DISCUSSION:** The League of California Cities ("League") Annual Conference for 2014 will be held in Los Angeles, California, from Wednesday, September 3 through Friday, September 5, 2014. The annual business meeting (at the General Assembly) is scheduled for 12 p.m. (Noon) on Friday, September 5<sup>th</sup>, at the Los Angeles Convention Center. At this meeting, the League membership considers and takes action on resolutions that establish League policy. It is important that all cities be represented at this meeting. Attached is a memorandum from the League regarding designation of Voting Delegates and Alternates. City Council action is advised by no later than August 15, 2014, in order to meet the League's deadline for submitting Voting Delegate/Alternate Form. There are specific procedures that must be followed with respect to the voting delegate and alternate(s):

1. In order to vote at the Annual Business Meeting, the City Council must designate a voting delegate.
2. The City Council may also appoint up to two alternate voting delegates, one of whom may vote in the event the designated voting delegate is unable to serve in that capacity.
3. Designation of the voting delegate and alternate(s) **must** be done by City Council action.
4. The voting delegate and alternate(s) must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only.
5. At least one voting delegate or alternate must be present at the Business Meeting on Friday afternoon and in possession of the voting card in order to cast a vote. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the Voting Delegate Desk. If the voting delegate and alternates find themselves unable to attend the Business Meeting, they may **not** transfer the voting card to another city official.

**FISCAL IMPACT:** None.

### **ATTACHMENTS**

1. Memo dated May 1, 2014, from the League of California Cities with accompanying attachments.

Report Prepared By: Susan Sneddon, CMC  
City Clerk

Reviewed and Forwarded  
By City Manager: 

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RECEIVED

MAY 07 2014

CITY OF CAPITOLA

WWW.CACITIES.ORG

Council Action Advised by July 31, 2014

May 1, 2014

**TO: Mayors, City Managers and City Clerks**

**RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES  
League of California Cities Annual Conference – September 3 - 5, Los Angeles**

The League's 2014 Annual Conference is scheduled for September 3 - 5 in Los Angeles. An important part of the Annual Conference is the Annual Business Meeting (*at the General Assembly*), scheduled for noon on Friday, September 5, at the Los Angeles Convention Center. At this meeting, the League membership considers and takes action on resolutions that establish League policy.

In order to vote at the Annual Business Meeting, your city council must designate a voting delegate. Your city may also appoint up to two alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve in that capacity.

**Please complete the attached Voting Delegate form and return it to the League's office no later than Friday, August 15, 2014. This will allow us time to establish voting delegate/alternate records prior to the conference.**

Please note the following procedures that are intended to ensure the integrity of the voting process at the Annual Business Meeting.

- **Action by Council Required.** Consistent with League bylaws, a city's voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken, or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council. Please note that designating the voting delegate and alternates must be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.
- **Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. To register for the conference, please go to our website: [www.cacities.org](http://www.cacities.org). In order to cast a vote, at least one voter must be present at the

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## Item #: 10.E. Attach 1.pdf

Business Meeting and in possession of the voting delegate card. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the Voting Delegate Desk. This will enable them to receive the special sticker on their name badges that will admit them into the voting area during the Business Meeting.

- **Transferring Voting Card to Non-Designated Individuals Not Allowed.** The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the Business Meeting, they may *not* transfer the voting card to another city official.
- **Seating Protocol during General Assembly.** At the Business Meeting, individuals with the voting card will sit in a separate area. Admission to this area will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate. If the voting delegate and alternates wish to sit together, they must sign in at the Voting Delegate Desk and obtain the special sticker on their badges.

The Voting Delegate Desk, located in the conference registration area of the Los Angeles Convention Center, will be open at the following times: Wednesday, September 3, 9:00 a.m. – 5:30 p.m.; Thursday, September 4, 7:00 a.m. – 4:00 p.m.; and Friday, September 5, 7:30–10:00 a.m. The Voting Delegate Desk will also be open at the Business Meeting on Friday, but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for completing the voting delegate and alternate form and returning it to the League office by Friday, August 15. If you have questions, please call Karen Durham at (916) 658-8262.

### Attachments:

- 2014 Annual Conference Voting Procedures
- Voting Delegate/Alternate Form

## Annual Conference Voting Procedures 2014 Annual Conference

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to League policy.
2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the League Credentials Committee.
3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.
4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.
5. **Voting.** To cast the city's vote, a city official must have in his or her possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.
6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.
7. **Resolving Disputes.** In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.

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