

# City of Capitola Agenda

Mayor: Stephanie Harlan  
Vice Mayor: Michael Termini  
Council Members: Ed Bottorff  
Jacques Bertrand  
Kristen Petersen  
Treasurer: Peter Wilk



## JOINT BUDGET STUDY SESSION

### CAPITOLA CITY COUNCIL/SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY

WEDNESDAY, MAY 17, 2017

6:00 PM

CITY COUNCIL CHAMBERS  
420 CAPITOLA AVENUE, CAPITOLA, CA 95010

*All correspondences received prior to 5:00 p.m. on the Tuesday preceding a City Council/Successor Agency Joint Budget Study Session will be distributed to Council/Agency Members to review prior to the meeting. Information submitted after 5 p.m. on that Tuesday may not have time to reach Council/Agency Members, nor be read by them prior to consideration of an item.*

*All matters listed on the Joint Budget Study Session of the City Council/Successor Agency Agenda shall be considered as Public Hearings.*

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

Council/Board Members Kristen Petersen, Michael Termini, Jacques Bertrand, Ed Bottorff, and Mayor Stephanie Harlan

**2. ADDITIONAL MATERIALS**

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

**3. ADDITIONS AND DELETIONS TO THE AGENDA**

**4. PUBLIC COMMENT**

*Oral Communications allows time for members of the Public to address the City Council/Successor Agency 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.*

**5. CITY COUNCIL / SUCCESSOR AGENCY / CITY TREASURER / STAFF COMMENTS**

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

**6. 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.*

- A. Consider the January 12, 2017, Successor Agency Regular Meeting Minutes  
RECOMMENDED ACTION: Approve minutes.
- B. Approval of Successor Agency Check Register January 1, 2017 - May 11, 2017  
RECOMMENDED ACTION: Approve the Successor Agency Check Register for January 1, 2017, to May 11, 2017.

**7. GENERAL GOVERNMENT / PUBLIC HEARINGS**

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

- A. Presentation of the Proposed 2017/2018 Fiscal Year Budget for the City of Capitola General Fund, the Capitola Successor Agency, and an Overview of the Capital Improvement Program  
RECOMMENDED ACTION: Receive the proposed budgets, provide staff direction, and continue budget deliberations to the next scheduled budget hearing on May 31.

**8. ADJOURNMENT**

**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

CAPITOLA CITY COUNCIL /SUCCESSOR AGENCY JOINT BUDGET STUDY  
SESSIONAGENDA  
May 17, 2017

Code of Civil Procedure §1094.6. Please refer to code of Civil Procedure §1094.6 to determine how to calculate when a decision becomes “final.” Please be advised that in most instances the decision become “final” upon the City Council’s announcement of its decision at the completion of the public hearing. Failure to comply with this 90-day rule will preclude any person from challenging the City Council decision in court.

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

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

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

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

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



**JOINT BUDGET STUDY SESSION  
CAPITOLA CITY COUNCIL/  
SUCCESSOR AGENCY  
AGENDA REPORT**

**MEETING OF MAY 17, 2017**

FROM: City Manager Department

SUBJECT: Consider the January 12, 2017, Successor Agency Regular Meeting Minutes

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RECOMMENDED ACTION: Approve minutes.

DISCUSSION: Attached for review and approval are the minutes of the regular meeting of January 12, 2017.

ATTACHMENTS:

1. 1-12-17 Draft Minutes

Report Prepared By: Linda Fridy  
City Clerk

**Reviewed and Forwarded by:**

Jamie Goldstein, City Manager

5/12/2017

**DRAFT  
MINUTES OF THE CITY OF CAPITOLA AS SUCCESSOR AGENCY  
TO THE FORMER CAPITOLA REDEVELOPMENT AGENCY  
THURSDAY, JANUARY 12, 2017  
AFTER THE ADJOURNMENT OF THE CITY COUNCIL MEETING**

**CALL TO ORDER**

Vice Chairman Termini called the meeting to order at 9 p.m.

**1. ROLL CALL**

Board Member Ed Bottorff: Present, Board Member Jacques Bertrand: Present, Chairman Stephanie Harlan: Absent, Vice Chair Michael Termini: Present, Board Member Kristen Petersen: Present.

**2. ADDITIONAL MATERIALS - None**

**3. ADDITIONS AND DELETIONS TO THE AGENDA - None**

**4. PUBLIC COMMENTS - None**

**5. BOARD MEMBER/STAFF COMMENTS - None**

**6. CONSENT CALENDAR**

<b>MOTION:</b>	<b>APPROVE ITEMS AS RECOMMENDED</b>
<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Ed Bottorff, Board Member
<b>SECONDER:</b>	Jacques Bertrand, Board Member
<b>AYES:</b>	Ed Bottorff, Jacques Bertrand, Michael Termini, Kristen Petersen
<b>ABSENT:</b>	Stephanie Harlan

A. Consider the June 16, 2016, City of Capitola, as Successor Agency to the Former Capitola Redevelopment Agency, Minutes

RECOMMENDED ACTION: Approve the subject minutes as submitted.

B. Approval of Successor Agency Check Register January 1, 2016 - December 31, 2016

RECOMMENDED ACTION: Approve the Successor Agency Check Register for January 1, 2016, to December 31, 2016.

**7. GENERAL GOVERNMENT/PUBLIC HEARINGS**

A. Appointments to the Oversight Board of the Successor Agency to the former Capitola Redevelopment Agency

RECOMMENDED ACTION: Appoint Mayor's representative and representative from the recognized employee organization representing the employees of the former redevelopment agency to Oversight Board.

Attachment: 1-12-17 Draft Minutes (1859 : Approval of SA Board Minutes)

CAPITOLA SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY  
REGULAR MEETING MINUTES

January 12, 2017

Board members agreed to the reappointment of Michael Termini as the Mayor's representative and appointment of Building Official Brian Van Son as the employee representative.

<b>MOTION:</b>	<b>APPOINT MICHAEL TERMINI AS MAYOR'S REPRESENTATIVE AND BRIAN VAN SON AS EMPLOYEE REPRESENTATIVE ON THE OVERSIGHT BOARD</b>
<b>RESULT:</b>	<b>APPOINTED [UNANIMOUS]</b>
<b>MOVER:</b>	Jacques Bertrand, Board Member
<b>SECONDER:</b>	Ed Bottorff, Board Member
<b>AYES:</b>	Ed Bottorff, Jacques Bertrand, Michael Termini, Kristen Petersen
<b>ABSENT:</b>	Stephanie Harlan

- B. Consider Approval of the Recognized Obligation Payment Schedule for July 1, 2017, to June 30, 2018 (ROPS 17-18)

RECOMMENDED ACTION: Approve the Recognized Obligation Payment Schedule for the period from July 1, 2017, to June 30, 2018 (ROPS 2017-2018).

Finance Director Mark Welch noted that the only change to previous schedules is the full repayment of the \$400,000 loan rather than spreading it over five years.

<b>MOTION:</b>	<b>APPROVE THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE</b>
<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	Ed Bottorff, Board Member
<b>SECONDER:</b>	Kristen Petersen, Board Member
<b>AYES:</b>	Ed Bottorff, Jacques Bertrand, Michael Termini, Kristen Petersen
<b>ABSENT:</b>	Stephanie Harlan

8. **ADJOURNMENT**

The meeting was adjourned at 9:05 p.m.

\_\_\_\_\_  
Michael Termini, Vice Chair

ATTEST:

\_\_\_\_\_  
Linda Fridy, Secretary

Attachment: 1-12-17 Draft Minutes (1859 : Approval of SA Board Minutes)



## JOINT BUDGET STUDY SESSION CAPITOLA CITY COUNCIL/ SUCCESSOR AGENCY AGENDA REPORT

**MEETING OF MAY 17, 2017**

FROM: Finance Department

SUBJECT: Approval of Successor Agency Check Register January 1, 2017 - May 11, 2017

**RECOMMENDED ACTION:** Approve the Successor Agency Check Register for January 1, 2017, to May 11, 2017.

**BACKGROUND:**

Below is a list of Successor Agency checks written from January 1 to May 11, 2017:

<b>Account: Successor Agency</b>				
<b>Date</b>	<b>Starting Check #</b>	<b>Ending Check #</b>	<b>Check/EFT Count</b>	<b>Amount</b>
1/6/17	5031	5031	1	\$15,000
1/20/17	5032	5034	3	\$148,871

The prior Successor Agency check register report of December 31, 2016, ended with check #5030.

Following is a list of checks issued for more than \$10,000 and a brief description of the expenditure:

<b>Check</b>	<b>Issued to</b>	<b>Dept.</b>	<b>Description</b>	<b>Amount</b>
5031	Castle Mobile Estates	FN	ROPS 16-17B rental subsidy	\$15,000
5032	Capitola City Treasurer	FN	RDA \$618,028 Loan and Repayment Agreement	\$114,871
5033	Capitola City Treasurer	FN	ROPS 16-17B Successor Agency Admin Allowance	\$25,000
5034	Castle Mobile Estates	FN	ROPS 16-17B fence & retaining construction	\$9,000

As of May 5, 2017, the unaudited cash balance in the Successor Agency account is \$344,235.97.

**ATTACHMENTS:**

- 05-11-17 Successor Agency Check Register

May 2017 Successor Agency check register  
May 17, 2017

Report Prepared By: Linda Fridy  
City Clerk

**Reviewed and Forwarded by:**



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Jamie Goldstein, City Manager

5/12/2017



# Successor Agency Checks Issued January 1 - May 11, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transactio Amou
5031	01/06/2017 Invoice 122216CME	Reconciled	12/22/2016	ROPS 16-17B rental subsidy 5501 - SA - RPTTF	CASTLE MOBILE ESTATES	\$15,000.00
5032	01/20/2017 Invoice 011317	Reconciled	01/20/2017	ROPS 16-17B-SA/RDA \$618,028 Loan and Repayment Agreement 5501 - SA - RPTTF	CAPITOLA CITY TREASURER	\$114,871.00
5033	01/20/2017 Invoice 01202017	Reconciled	01/20/2017	ROPS 16-17B Successor Agency Administrative Allowance 5501 - SA - RPTTF	CAPITOLA CITY TREASURER	\$25,000.00
5034	01/20/2017 Invoice 11317	Reconciled	01/20/2017	ROPS 16-17B (2) fence replacement behind space 30 5501 - SA - RPTTF	CASTLE MOBILE ESTATES	\$9,000.00
Type Check Totals:						\$163,871.00

SA - Successor Agency Totals	Counts:	Total
Checks	4	\$163,871.00
EFTs	0	\$0.00
All	4	\$163,871.00

Attachment: 05-11-17 Successor Agency Check Register (1861 : May 2017 Successor Agency check register)



# JOINT BUDGET STUDY SESSION CAPITOLA CITY COUNCIL/ SUCCESSOR AGENCY AGENDA REPORT

MEETING OF MAY 17, 2017

FROM: City Manager Department

SUBJECT: Presentation of the Proposed 2017/2018 Fiscal Year Budget for the City of Capitola General Fund, the Capitola Successor Agency, and an Overview of the Capital Improvement Program

**RECOMMENDED ACTION:** Receive the proposed budgets, provide staff direction, and continue budget deliberations to the next scheduled budget hearing on May 31.

**DISCUSSION:** The City of Capitola proposed Fiscal Year (FY) 2017/2018 and FY 2018/2019 Budget is a two-year financial plan for the City. The proposed budget was prepared based on the Council's adopted budget principles and priorities, while taking into account projections of future revenue.

The budget is the City's operating plan and a primary mechanism by which the Council's goals and vision for the City are transmitted to staff for implementation.

The document is organized to present information in several ways. General Fund Revenues and Expenditures are shown to provide information about longer term patterns and overall fiscal stability, then revenues and expenditures for the City's various funds and departments are shown to provide additional detail and information about the City's programs and projects.

Overall the FY 2017/18 proposed budget reflects a local economy that continues to remain strong, with major revenue sources continuing to increase. The budget maintains a high level of services for residents of Capitola, and includes new initiatives associated with new revenue sources. Nevertheless, the City must also remain focused on the long-term budget picture, which includes dramatically increasing CalPERS (Public Employees' Retirement System) costs. Those increasing PERS costs will likely result in challenging budgetary decisions in coming years.

The draft budget has been distributed and is available for public review at the Capitola Branch Library and in the City Hall lobby, as well on the City's website.

Report Prepared By: Jamie Goldstein  
City Manager

Joint CC & SA Mtg - Proposed 2017/2018 Fiscal Year Budget  
May 17, 2017

**Reviewed and Forwarded by:**



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Jamie Goldstein, City Manager

5/12/2017