

City of Capitola

Council Meeting Agenda



Mayor: Yvette Brooks
Vice Mayor: Sam Storey
Council Members: Jacques Bertrand
Margaux Keiser
Kristen Petersen

THURSDAY, MAY 20, 2021

SPECIAL MEETING - 6 PM

SPECIAL MEETING OF THE CAPITOLA CITY COUNCIL - 6 PM

All correspondences received prior to 5:00 p.m. on the Tuesday preceding a City Council Special Meeting will be distributed to the City Council to review prior to the meeting. Information submitted after 5 p.m. on that Tuesday may not have time to reach the City Council, nor be read by them prior to consideration of an item.

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

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Members Kristen Petersen, Jacques Bertrand, Margaux Keiser, Sam Storey, and Mayor Yvette Brooks

2. ADDITIONAL MATERIALS

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

3. ADDITIONS AND DELETIONS TO THE AGENDA

4. PUBLIC COMMENTS

Please review the Notice of Remote Access for instructions.

5. STAFF / CITY COUNCIL COMMENTS

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 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 May 5, 2021 City Council / Successor Agency Special Meeting Minutes
RECOMMENDED ACTION: Approve the minutes.

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 2021-22 Fiscal Year Budget for the City of Capitola General Fund and the Capitola Successor Agency
RECOMMENDED ACTION: Acting as the City Council and Successor Agency, receive the proposed budget, provide staff direction, and either:
- Continue budget deliberations to the next scheduled joint budget hearing on June 2, 2021, or
 - Direct staff to prepare the documents for final budget adoption at a Regular meeting in June, and cancel future planned budget hearings.

8. ADJOURNMENT

NOTICE OF REMOTE ACCESS

In accordance with the current Santa Cruz County Health Order outlining social distancing requirements and Executive Order N-29-20 from the Executive Department of the State of California, the City Council meeting is not physically open to the public and in person attendance cannot be accommodated.

To watch:

- Online <http://capitolaca.iqm2.com/Citizens/Default.aspx>
- Spectrum Cable Television channel 8

To join Zoom:

- Join the Zoom Meeting with the following link:
<https://us02web.zoom.us/j/86579506670?pwd=T2lPZHc0cXhkWEJlYzdzQ1pCTU9VZz09>
- If prompted for a passcode, enter **532830**
- **-OR-** With a landline or mobile phone, call one of the following numbers:
 - **1 669 900 6833**
 - 1 408 638 0968**
 - 1 346 248 7799**
- Enter the meeting ID number: **865 7950 6670**
- When prompted for a Participant ID, press #

To submit public comment:

When submitting public comment, one comment (via phone **or** email, not both), per person, per item is allowed. If you send more than one email about the same item, the last received will be read.

1. Zoom Meeting (Via Computer or Phone) Link:
 - A. IF USING COMPUTER:
 - § Use participant option to "raise hand" during the public comment period for the item you wish to speak on. Once unmuted, you will have up to 3 minutes to speak
 - A. IF CALLED IN OVER THE PHONE:

CAPITOLA CITY COUNCIL SPECIAL MEETING AGENDA
May 20, 2021

§ Press *9 on your phone to “raise your hand” when the mayor calls for public comment. Once unmuted, you will have up to 3 minutes to speak

1. Send Email:

A. During the meeting, send comments via email to

publiccomment@ci.capitola.ca.us

§ Emailed comments on items will be accepted after the start of the meeting until the Mayor announces that public comment for that item is closed.

§ Emailed comments should be a maximum of 450 words, which corresponds to approximately 3 minutes of speaking time.

§ Each emailed comment will be read aloud for up to three minutes and/or displayed on a screen.

§ Emails received by publiccomment@ci.capitola.ca.us outside of the comment period outlined above will not be included in the record.

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 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 at 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 by clicking on the Home Page link “**Meeting Video.**” Archived meetings can be viewed from the website at any time.



CAPITOLA CITY COUNCIL SPECIAL MEETING AGENDA REPORT

MEETING OF MAY 20, 2021

FROM: City Manager Department

SUBJECT: Consider the May 5, 2021 City Council / Successor Agency Special Meeting Minutes

RECOMMENDED ACTION: Approve the minutes.

ATTACHMENTS:

1. 5-5-21 BUDGET draft

Report Prepared By: Chloe Woodmansee
City Clerk

Reviewed and Forwarded by:

A handwritten signature in black ink, appearing to be "JG", written over a horizontal line.

Jamie Goldstein, City Manager

5/14/2021

CAPITOLA CITY COUNCIL DRAFT SPECIAL MEETING MINUTES WEDNESDAY, MAY 5, 2021 – 6 PM

SPECIAL MEETING OF THE CAPITOLA CITY COUNCIL

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Member Jacques Bertrand: Remote, Council Member Kristen Petersen: Remote, Vice Mayor Sam Storey: Remote, Mayor Yvette Brooks: Remote, Council Member Margaux Keiser: Remote.

2. ADDITIONAL MATERIALS – NONE

3. ADDITIONS AND DELETIONS TO THE AGENDA – NONE

4. PUBLIC COMMENT – NONE

5. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

Vice-Mayor Storey announced he would not be attending the next budget hearing, scheduled for May 20.

Council-Member Bertrand asked about the Depot Hill Stair Mural Project Q&A meeting, Assistant to the City Manager Laurent responded that a few members of the public attended, and the artist provided them information.

6. CONSENT CALENDAR

- A. Consider the May 21, 2020, City Council as Successor Agency Special Meeting Minutes

RECOMMENDED ACTION: Approve the minutes.

MOTION:	APPROVE THE MINUTES
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jacques Bertrand, Council Member
SECONDER:	Kristen Petersen, Council Member
AYES:	Bertrand, Petersen, Storey, Brooks, Keiser

7. GENERAL GOVERNMENT / PUBLIC HEARINGS

- A. Presentation of the Proposed 2021/2022 Fiscal Year Budget for the City of Capitola General Fund and the Capitola Successor Agency

RECOMMENDED ACTION: Acting as the City Council and Successor Agency, receive the proposed budget, provide staff direction, and continue budget deliberations to the next joint budget hearing scheduled on May 20.

City Manager Jamie Goldstein introduced the City’s overall financial situation, then Finance Director Jim Malberg presented the proposed budget.

Vice-Mayor Storey recused himself from the Community Action Board (CAB) portion of the

Attachment: 5-5-21 BUDGET draft (Approve Council Minutes)

CAPITOLA CITY COUNCIL SPECIAL MEETING MINUTES
May 5, 2021

discussion.

Council Members Bertrand, Keiser, and Petersen along with Mayo Brooks agreed to move CAB into the City Manager budget, allowing for Vice-Mayor Storey to participate in future community grant program discussions.

City Manager Goldstein outlined the following discussion points:

- Frozen positions
- Early Childhood/Youth Program fund
- Fund balance
- COVID-19 stabilization account
- American Rescue Plan, Measure F funds

After discussion, Council Members Bertrand, Keiser, and Petersen agreed that the request for \$100,000 towards staffing challenges is necessary, though they each supported using a different funding source.

Mayor Brooks asked that at the next hearing, Capital Improvement Program (CIP) projects be brought with costs associated to each so that Council can determine priority projects. She supported the Finance Advisory Committee recommendation to maintain the COVID-19 stabilization account and to consider using American Rescue Plan funding towards a transportation option for the Recreation Division.

Council Member Bertrand clarified that a potential round-about project will be considered with CIP projects at the next budget hearing.

There was no public comment.

After discussion, the Council directed staff to focus on the following and present findings/analysis at the next budget hearing:

- Consider different ways of allocating \$100,000 for staffing challenges: reorganizing expenditures (Storey); the COVID-19 stabilization account (Petersen); or the fund balance (Brooks)
- Maintain the goal of a \$750,000 fund balance
- Early Childhood/Youth Programming funding options (Brooks)
- CIP project review: cost, funding status, etc.
- Wharf Project funding projections (Storey)
- FAC recommendation regarding PERS reserve

8. ADJOURNMENT

The meeting was closed at 7:25 PM to the next special City Council budget hearing, scheduled for May 20, 2021.

CAPITOLA CITY COUNCIL SPECIAL MEETING MINUTES
May 5, 2021

Yvette Brooks, Mayor

ATTEST:

Chloé Woodmansee, City Clerk

Attachment: 5-5-21 BUDGET draft (Approve Council Minutes)



CAPITOLA CITY COUNCIL SPECIAL MEETING AGENDA REPORT

MEETING OF MAY 20, 2021

FROM: Finance Department

SUBJECT: Presentation of the Proposed 2021-22 Fiscal Year Budget for the City of Capitola General Fund and the Capitola Successor Agency

RECOMMENDED ACTION: Acting as the City Council and Successor Agency, receive the proposed budget, provide staff direction, and either:

- Continue budget deliberations to the next scheduled joint budget hearing on June 2, 2021, or
- Direct staff to prepare the documents for final budget adoption at a Regular meeting in June, and cancel future planned budget hearings.

DISCUSSION: The City of Capitola proposed Fiscal Year (FY) 2021-22 and FY 2022-23 Budget is a two-year financial plan for the City as outlined by Administrative Policy III-3: Financial Management Policies. The proposed budget was prepared based on a combination of known factors, such as increases in CalPERS (Public Employees' Retirement System) costs, and conservative estimates for both revenues and expenditures as the City prepares for a return to normalcy following the financial impacts of the COVID-19 pandemic.

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. 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 2021-22 Proposed Budget reflects a local economy that anticipates the beginning of fiscal recovery from the impacts of the COVID-19 pandemic. The proposed budget begins to return services that were reduced or eliminated in the prior fiscal year such as Community Grants, Lifeguards, and Public Works department seasonal employees to assist with the anticipated influx of people to Capitola Beach, the Village, and 41st Avenue corridor as visitors return to Capitola. The City must also remain focused on the long-term budget picture, which includes dramatically increasing CalPERS costs. Those increasing PERS costs will likely result in challenging budgetary decisions in coming years.

This second budget hearing will provide an overview (attached) of the City's proposed Capital Improvement Program (CIP) as well as a focused discussion on the following items that were

Proposed 2021/2022 Fiscal Year Budget - 2nd Budget Hearing
May 20, 2021

identified by City Council during the special budget hearing on May 5, 2021.

- 1) Consider different ways of allocating \$100,000 for staffing challenges, specifically: reorganizing expenditures; utilizing the COVID-19 stabilization account; or utilizing fund balance.
 - a) Reorganizing expenditures: Using \$100,000 from the general fund in each of the next two fiscal years for staffing changes would lead to reducing funding for Internal Service Fund(s). This could be accomplished by reducing ISF charges by \$50,000 in both the Information Technology and Equipment Replacement in each of the next two years. However, as expenditures from those ISFs are not also proposed for adjustment, the net effect would be lower fund balances in both ISFs, which could require additional future funding to replenish the Fund(s).
 - b) COVID Stabilization Account: Utilizing \$100,000 of the \$600,000 COVID stabilization account funding for each of the next two fiscal years would reduce the available balance in the account to \$400,000. The stabilization account was established to help the City navigate the impacts, and recovery, of the COVID-19 pandemic.
 - c) Fund Balance: Utilizing \$100,000 for each of the next two fiscal years would reduce the available general fund balance from \$1.4 million to \$1.2 million.
- 2) Maintain the goal of a \$750,000 fund balance
 - a) The estimated general fund balance on June 30, 2022 is \$1.4 million. The City Council, following the recommendation of the Finance Advisory Committee (FAC), suggested a target ending fund balance of \$750,000 which makes up to \$650,000 available for use in FY 2021-22. The FAC will be meeting next week to develop a recommendation for Council consideration about what portion of the fund balance to allocate to projects, and what portion to allocate to long term debt reduction (PERS reserve). That division will determine how much funding the City has available from fund balance to allocate to Council priorities, which could include:
 - i) Additional funding for existing, or new, CIP projects
 - ii) Funding for community grant strategic plan (Council goal)
 - iii) Funding for Monterey Park picnic tables (Council goal)
- 3) Early Childhood/Youth Programming funding options
 - a) The Early Childhood and Youth Program (ECYP) is estimated to receive \$49,000 of restricted Transient Occupancy Tax revenues in addition to the estimated June 30, 2021 ending fund balance of \$14,000. This \$63,000 total includes a \$30,000 portion proposed in the FY 2021-22 Budget to the Community Grant program and leaves up to \$33,000 available for additional ECYP activities. Mayor Brooks has recommended that of this total, \$3,000 go towards the Community Grant program and the remaining \$30,000 go directly to the Recreation division, only to be used for ECYP activities. With the expansion of the Afterschool Program to additional Soquel Union Elementary School District, the division may need a small passenger van at an estimated cost of \$50,000. The Mayor recommended the City utilize a portion of the \$1.88 of American Rescue Plan funding to purchase a van, which the City will receive over the next two fiscal years.
- 4) CIP project review: cost, funding status, etc.
 - a) The CIP discussion will be focused on the projects listed on the attachment to the staff report. Council will be asked to identify any new CIP projects, allocate project funding, and approve the CIP list.
- 5) Wharf Project funding projections
 - a) The Wharf Resiliency Project currently has identified potential funding of \$5.94 million, consisting of \$1.2 million of prior year allocations, \$1.9 million of State Conservancy

Proposed 2021/2022 Fiscal Year Budget - 2nd Budget Hearing
May 20, 2021

Grant funding, \$1.88 million of American Rescue Plan funding, and \$960,000 of FY 2021-22 Measure F funding. Current project cost estimates range from \$5 million to \$7.5 million.

Staff projects approximately \$2.8 of future Measure F revenues will be available between 2023 and December 31, 2027, when Measure F is scheduled to end. However, that funding will not be fully available until 2028. Because waiting that long to complete the wharf project is likely infeasible due to grant deadlines, community expectations, and cost escalation, the City would need to either utilize short-term borrowing or internal financing to utilize some portion of that funding for the project. Staff will outline options for those scenarios at the meeting on May 20.

The draft budget has been distributed and is available for public review outside of the City Hall lobby, as well as on the City's website.

ATTACHMENTS:

1. CIP by year 22

Report Prepared By: Jim Malberg
Finance Director

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

5/14/2021

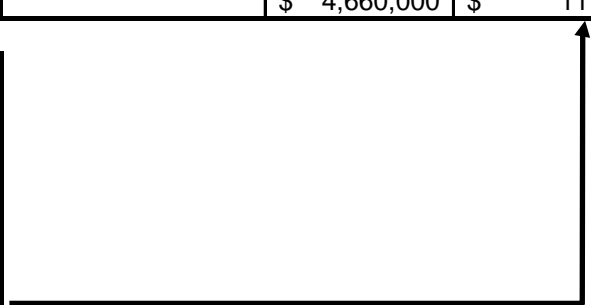
CAPITAL IMPROVEMENT PROJECTS

2021-22 Capital Improvement Budget Report

Prior Project Appropriations and Status						4/23/2021 Status			
Project	General Fund	Measure F	Total Other Funding Sources	Total Prior Year Appropriations	Expenses to Date	Existing Fund Balance	Estimated Construction Cost	Estimated Fund Balance	Status
On-going Projects									
Clares & Wharf Traffic Calming	\$ 150,000		\$ 120,000	\$ 270,000		\$ 270,000	\$ 200,000	\$ 70,000	
41st Avenue Adaptive Signal Control			\$ 760,000	\$ 760,000	\$ 127,133	\$ 632,867	\$ 600,000	\$ 32,867	Bid in July
Monterey & Park Pedestrian Pathway	\$ 50,000		\$ 200,000	\$ 250,000	\$ 30,500	\$ 219,500	\$ 300,000	\$ (80,500)	Pending environmental work
Rispin Park	\$ 456,290		\$ 177,952	\$ 634,242		\$ 634,242	\$ 845,000	\$ (210,758)	Pending grant fnding
Roundabout Capitola Ave and Bay Ave	\$ 75,000		\$ 18,842	\$ 93,842	\$ 55,300	\$ 38,542	\$ 1,000,000	\$ (961,458)	To follow undergrounding
Utility Undergrounding	\$ 37,400		\$ -	\$ 37,400	\$ 34,750	\$ 2,650	\$ 100,000	\$ (97,350)	PG&E project. Const. this winter?
Pavement Management			\$ 443,401	\$ 443,401		\$ 443,401		\$ 443,401	Combine with 2022 funds below
Measure F Projects									
Capitola Wharf Improvements		\$ 1,217,000		\$ 1,217,000	\$ 325,124	\$ 891,876		\$ 891,876	construction in 2021-2022

2021-22 Recommended Appropriations											
Project	Facility Fund	Measure F	State Grant	Rcovery Act Funding	RTC Measure D	State SB 1	Total 2022 Funding	Fund Balance from Flume' Jetty	Total Prior Project Appropriations	Total Project Appropriation	Estimated Construction Cost
New Project Allocations											
Pavement Management					\$ 193,401	\$ 250,000	\$ 443,401		\$ 443,401	\$ 886,802	\$ 886,902
Emergency Power at City Hall Complex	\$ 90,000		\$ 300,000				\$ 390,000		\$ -	\$ 390,000	\$ 390,000
Wharf Resiliency		\$ 960,000	\$ 1,900,000	\$ 1,800,000			\$ 4,660,000	\$ 117,698	\$ 891,876	\$ 5,669,574	\$5 to \$7 million

Completed Projects					
Project	General Fund	Measure F	Total Funding	Project Costs	Project Fund Balance
Capitola Avenue Sidewalk & Retaining Wall	\$ 200,000		\$ 200,000	\$ 191,121	\$ 8,879
Flume Rehabilitation Project		\$ 550,000	\$ 550,000	\$ 803,699	\$ 117,698
Jetty Rehabilitation Project		\$ 371,397	\$ 371,397		



Attachment: CIP by year 22 (Proposed 2021/2022 Fiscal Year Budget - 2nd Budget Hearing)