

City of Capitola Agenda



Mayor: Michael Termini
Vice Mayor: Stephanie Harlan
Council Members: Kirby Nicol
Dennis Norton
Sam Storey
Treasurer Jacques Bertrand

AGENDA

SPECIAL JOINT MEETING

CAPITOLA CITY COUNCIL/SUCCESSOR AGENCY

TO THE FORMER REDEVELOPMENT AGENCY

JOINT BUDGET STUDY SESSION

Wednesday, May 23, 2012 — 6:00 PM

City Council Chambers, 420 Capitola Avenue, Capitola

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Members Stephanie Harlan, Dennis Norton, Kirby Nicol, Sam Storey, and Mayor Michael Termini

2. 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.

3. GENERAL GOVERNMENT

The following procedure is are intended to provide an opportunity for public discussion: (1) Overview of the proposed budgets by Staff; (2) Council Comment; (3) Public Comment; and (4) Council Deliberation.

A. Presentation of the proposed 2012/2013 Fiscal Year Budget for the City of Capitola General Fund, the Capitola Successor Agency, and an overview of the unfunded Capital Improvement Program.

4. ADJOURNMENT

Adjourn to the next Regular Meeting of the City Council to be held on Thursday, May 24, 2012, at 7:00 p.m., in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

SPECIAL JOINT BUDGET STUDY SESSION OF THE CAPITOLA CITY COUNCIL AND THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY

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 on the Internet at the City's website: www.ci.capitola.ca.us. Agendas are also available at the Capitola Post Office located at 826 Bay Avenue, Capitola.

Agenda Document Review: The complete agenda packet is available at City Hall and at the Capitola Branch Library, 2005 Wharf Road, Capitola, on the Monday prior to the Thursday meeting. 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 replayed at 12:00 Noon on the Saturday following the meetings 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.ci.capitola.ca.us by clicking on the Home Page link "**View Capitola Meeting Live On-Line.**" Archived meetings can be viewed from the website at anytime.



Item # 3.A.

CITY COUNCIL/SUCCESSOR AGENCY TO THE FORMER RDA AGENDA REPORT

SPECIAL MEETING OF MAY 23, 2012

FROM: CITY MANAGER / FINANCE DEPARTMENT

SUBJECT: PROPOSED FISCAL YEAR 2012/13 AND FISCAL YEAR 2013/14 BUDGET FOR THE CITY AND THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY (RDA)

RECOMMENDED ACTION: Receive the Proposed FY 2012/13 and FY 2013/14 Budget for the City and Successor Agency to the former Redevelopment Agency and Provide staff direction.

DISCUSSION: The City of Capitola Proposed FY12/13 and FY13/14 Budget is a two year financial plan for the City. The proposed Budget was prepared based on the Council's adopted budget principles, 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.

As presented, the Proposed Budget is balanced; however it contains \$299,720 in unallocated funds for FY12/13. During a public hearing in March, the City Council directed staff to defund a number of programs in the Proposed Budget, and provide Council with an unallocated source of funds which could be assigned during the budget process.

The FY12/13 Budget exclude the items presented in the table below, along with removing \$280,000 that would be allocated to the Contingency and Emergency Reserve Funds pursuant to the Council goal of reestablishing the City's reserve funds within five years. Of the \$299,720 in unallocated funds in FY2012/13, \$265,000 will be generated from one-time revenues.

Defunded Item	Historic Budget
CIP	\$250,000
Community Grant Funding	275,000
Chamber	30,000
CVC	23,000
Begonia Festival	5,000
Bike to Work	1,000
United Way Community Assessment	1,000
Total Defunded	\$585,000

Staff recommends the City Council allocate the maximum level of funding possible to the City's reserve funds. With the current funding level in the reserve accounts, the City's ability to withstand unanticipated events (natural disasters, state take-aways, litigation, etc.) is very limited. With such

low levels of reserves the City may need to consider bridge-financing to cover operational cash shortfalls during the course of the fiscal year. Staff will present a cash flow analysis at the hearing outlining the City's cash position projections for next fiscal year. Lastly, in the citizen survey conducted this Spring, when likely voters were asked to identify their priorities for uses of new tax revenue, they indicated that ensuring the City's long-term fiscal stability and restoring reserve funding levels were very high priorities.

While it may be a high priority to the City Council to provide some funding for a CIP project in the next fiscal year, it is important to note a slurry seal project, funded in a previous year's CIP, is scheduled to go out to bid this summer, with construction scheduled for the Fall.

The next Budget Study Session will be held on Thursday, May 31, 2012, at 6 PM, where the Finance Advisory Committee will present their recommendations.

ATTACHMENTS

1. The proposed FY12-13 & FY13-14 Budget is available online at <http://www.ci.capitola.ca.us/capcity.nsf/CtyAdFinance.html>

Report Prepared By: Jamie Goldstein, City Manager
Tori Hannah, Finance Director

Reviewed and Forwarded
By City Manager: 