

City of Capitola Agenda

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



CAPITOLA CITY COUNCIL REGULAR MEETING

THURSDAY, JUNE 13, 2013

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

CLOSED SESSION – 5:45 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.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Govt. Code §54956.9)

Schroedel et al. v. the City of Capitola, the Santa Cruz Superior Court Case No. CV 175684

CONFERENCE WITH LABOR NEGOTIATOR (Govt. Code §54957.6)

Negotiator: Lisa Murphy, Administrative Services Director
Employee Organizations:
Capitola Police Officers Association and the Capitola Police Captains

PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Govt. Code § 54957)

City Council's Performance Evaluation of the City Attorney

LIABILITY CLAIMS (Govt. Code §54956.95)

Claimant: Kyle Rupp
Agency claimed against: City of Capitola

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

2. PRESENTATIONS

A. Proclamation honoring Amateur Radio Week - June 16 thru June 22, 2013.

3. REPORT ON CLOSED SESSION

4. ADDITIONS AND DELETIONS TO AGENDA

5. 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.

6. 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.

7. BOARDS, COMMISSIONS AND COMMITTEES APPOINTMENTS

A. Reappointment of four (4) members to the Capitola Historical Museum Board of Trustees.

RECOMMENDED ACTION:

Accept the recommendation of the Capitola Historical Museum Board.

8. 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 approving the City Council Minutes of the May 22, 2013 Special Budget Session and the May 23, 2013, Regular City Council meeting.

RECOMMENDED ACTION:

Approve Minutes.

B. Receive Planning Commission Action Minutes for the Regular Meeting of June 6, 2013.

RECOMMENDED ACTION:

Receive Minutes.

CAPITOLA CITY COUNCIL REGULAR MEETING - June 13, 2013

- C. Consider denying liability claim of Kyle Rupp in the amount of \$60.00 and forward to the City's liability insurance carrier.
RECOMMENDED ACTION:
Deny Liability Claim.
- D. Consider adopting a Resolution setting the 2013-2014 Fiscal Year Appropriation Limit pursuant to Article XIII B of the California Constitution.
RECOMMENDED ACTION:
Adopt Resolution.
- E. Consider adopting a Resolution of Intention to Levy Business Improvement Assessments for Fiscal Year 2013-2014, which receives the Capitola Village and Wharf Business Improvement Area Annual Report and the proposed Fiscal Year 2013-2014 Budget; sets a public hearing to receive oral or written protests on the levy of assessments for Fiscal Year 2013-2014 for Thursday, June 27, 2013; 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 27, 2013.
- F. Consider an agreement with Charter Business to upgrade the City's Wide Area and Internet Connectivity to City facilities in an amount not to exceed \$28,000 and authorize the City Manager to execute the agreement.
RECOMMENDED ACTION:
Approve agreement and authorize the City Manager to execute the agreement.
- G. Designation of Voting Delegate for the League of California Cities Annual Conference in Sacramento California, from September 18 to 20, 2013.
RECOMMENDED ACTION:
Designate Mayor Harlan as the Voting Delegate.
- H. Authorize the Police Department to surplus and sell two police motorcycles: 2007 Harley Davidson Motorcycle and 2007 Harley Davidson Motorcycle.
RECOMMENDED ACTION:
Declare the motorcycles surplus.

9. 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. Review the Art & Cultural Commissions' recommendation for final approval of the 41st Avenue Median Public Art Project.
RECOMMENDED ACTION:
Receive update.
- B. Receive presentation regarding the City's updated General Plan Work Plan and Schedule.
RECOMMENDED ACTION:
Receive presentation and accept the updated General Plan Work Plan and Schedule.

CAPITOLA CITY COUNCIL REGULAR MEETING - June 13, 2013

- C. Consider updates to Financial Management Policies and rescind Resolution No. 2683 related to Internal Borrowings.

RECOMMENDED ACTION:

Approve policy updates and rescind Resolution No. 2683.

- D. Consider an Ordinance adding Chapter 10.38 of the Capitola Municipal Code specifying parking meter rates and zones [1st Reading].

RECOMMENDED ACTION:

Introduce Ordinance.

10. **ADDITIONAL MATERIALS**

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

11. **ADJOURNMENT**

Adjourn to the Special Joint Meeting of the City Council and Successor Agency following the adjournment of the June 13, 2013, City Council Regular Meeting, 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 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.

City of Capitola Mayor's Proclamation

Designating June 16 – 22, 2013, as Amateur Radio Week

WHEREAS, the Federal Communications Commission licenses all amateur radio operators to provide public and emergency communications, develop and maintain a pool of radio operators, and promote domestic and international goodwill; and

WHEREAS, the Santa Cruz County Amateur Radio Club, San Lorenzo Valley Amateur Radio Club, and the UCSC Radio Club operators are known throughout the county, state and nation for their outstanding dedication and commitment to safety and preparedness; and

WHEREAS, amateur radio operators in Capitola and Santa Cruz County provide thousands of hours of volunteer support to local agencies including; CALFIRE, S.C Sheriff's Office, Capitola Police Department, the American Red Cross, the Department of Homeland Security, the National Weather Service and the Salvation Army. They also provide invaluable assistance during parades, charity bike rides, running and walking events; and

WHEREAS, local amateur radio operators work closely with federal, state, city and county emergency service organizations to provide volunteer communication services during disaster such as earthquakes, tsunamis, wild fires, severe weather, communications and power outages, accidents and other emergencies; and

WHEREAS, the amateur radio community represented by the Santa Cruz Amateur Radio Club, the Santa Cruz County Amateur Radio Emergency Service (A.R.E.S.) and the UCSC Radio Club have been active supporting the Emergency Operations Center, CALFIRE, the Sheriff's Department, California Highway Patrol, Search & Rescue, Large Animal Rescue Team, groups and volunteer agencies in their contributions of service to the community; and

WHEREAS, this year's Amateur Radio Relay League Field Day exercises will take place at the CALFIRE Training Facility, in Ben Lomond and also at the UCSC East Field, on Saturday, June 22 and Sunday, June 23.

NOW, THEREFORE, I, Stephanie Harlan, Mayor of the City of Capitola, do hereby proclaim June 16 – 22, 2013, as Amateur Radio Week in Capitola, California and call on all residents to support this very important emergency preparedness exercise, and recognize the tremendous contributions Santa Cruz County amateur radio operators have made to our community.

Stephanie Harlan

Stephanie Harlan, Mayor
Signed and sealed this 13th day of June 2013



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CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 13, 2013

FROM: CITY CLERK'S OFFICE

SUBJECT: REAPPOINTMENTS TO THE CAPITOLA HISTORICAL MUSEUM BOARD

RECOMMENDED ACTION: Accept the recommendation of the Capitola Historical Museum Board (Board) to reappoint Bob Anderson, Niels Kisling, Thomas Mc Granahan and Gordon van Zuiden to fill the four expiring terms on the Board. Each appointment is for a three year term expiring in June 2016.

DISCUSSION: Pursuant to Capitola Municipal Code Section 2.28.020B, the Board shall be appointed by the Mayor, subject to the approval of three City Council members. The four Board Members whose terms expire on June 13, 2013, are as follows; Bob Anderson, Niels Kisling, Thomas McGranahan and Gordon van Zuiden. The required notice regarding the term expirations was posted on the City's website, placed on the Charter Community Channel 8 scroll, noticed at City Hall and the Capitola Branch Library, and press releases were issued to local publications

Communications requesting reappointment were received prior to the close of the application period of May 13, 2012, from all four Board Members whose terms expire. One new application was received outside the close of the application period from John Nicol on May 29, 2013. At its meeting on June 6, 2013, the Board voted to recommend reappointment of all four Board members.

FISCAL IMPACT: None

ATTACHMENTS

1. Letter of recommendation from Carolyn Swift, Capitola Museum Director;
2. Application from John Nicol;
3. Roster of Current Board Members.

Report Prepared By: Michele Deiter, CMC
Records Coordinator

Reviewed and Forwarded
By City Manager: 

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Capitola Historical Museum

Memo

Date: June 6, 2012
To: Mayor Stephanie Harlan and Capitola City Council
From: Carolyn Swift, Capitola Museum Director
RE: Capitola Historical Museum Board of Trustees
Reappointment/Appointment Recommendations

Mayor Harlan and City Council Members:

The Capitola Historical Museum Board of Trustees recommends the re-appointment of trustees Gordon van Zuiden, Niels Kisling, Tom McGranahan, and Bob Anderson as trustees for a three-year term.

They have all made significant contributions to the assets to the board and are active volunteers. Gordon has contributed to the technological advancement of museum project, particularly those related to photography. He has used his own resources to enhance the museum's collection of photographs and helped preserve them. Niels Kisling handles publicity, edits the newsletter, leads walking tours, and organizes many of the museum events. Tom McGranahan has been the board treasurer since 1995. Bob Anderson serves as volunteer coordinator, leading the effort to keep the museum open to visitors.

The vote to recommend the reappointment was made at the regular meeting of June 6, 2013.

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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.

RECEIVED

MAY 29 2013

CITY OF CAPITOLA

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 _____

Name: NICOL JOHN R
Last First M.I.

Telephone: 831/475.0117 831/359.7364
Home Business Cell

E-mail Address: johnknicol@yahoo.com

Physical Address of Residence: 1555 49th AVE., CAPITOLA, CA 95010

Mailing Address: same as above

Business Address: same as above

Occupation: _____

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 spent my life in CAPITOLA, my family has been here for 3 generations. I am an active volunteer at the museum & plan to continue that involvement. I travel a great deal, but would like to contribute to the museum as a Board member.
(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.

5-29-13
Date

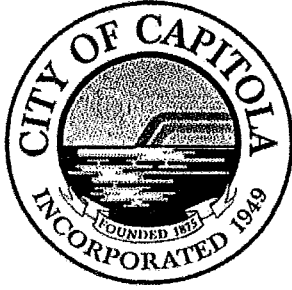
John Knicol
Signature of Applicant

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

CAPITOLA HISTORICAL MUSEUM BOARD CURRENT MEMBERS

<u>NAME</u>	<u>ADDRESS AND PHONE NUMBER</u>	<u>DATE APPOINTED</u>	<u>TERM EXPIRES*</u>
Anderson, Bob	360 Bay Avenue Capitola, CA 95010 (H) 475-6248 (W) 408-735-2755 Email: bobnliz@cruzio.com	4/26/07 6/28/07 7/08/10	6/13/13
Kirby, Stephanie	300 Plum Street #90 Capitola, CA 95010 (H) 475-3319 Email: canyon_wren@hotmail.com	7/26/12	6/11/15
Kisling, Niels	1820 Wharf Road Capitola, CA 95010 (H) 476-7532 (W) 332-7454 Email: nkisling@pacbell.net	9/27/07 7/08/10	6/13/13
McGranahan, Thomas	2435 Felt Street #45 Santa Cruz, CA 95062 (H) 475-1015 Email: Maryjanemcq@yahoo.com	6/23/94 6/25/98 6/28/01 6/24/04 6/28/07 7/08/10	6/13/13
Shoaf, David	1580 Lincoln Avenue Capitola, CA 95010 (H) 462-4605 (C) 706-7650 Email: david.m.shoaf@gmail.com	6/24/04 6/28/07 12/09/10 5/24/12	6/11/15
Smith, Linda	1587 Prospect Avenue Capitola, CA 95010 (H) 475-6494 (C) 818-3049 Email: capitolalinda2@gmail.com	2/08/07 6/25/09 5/24/12	6/11/15
van Zuiden, Gordon	206 Fanmar Way Capitola, CA 95010 (H) (408) 205-5440 (C) 205-5440 Email: gordon@cybermanor.com Mailing address: 17573 Eaton Lane, Monte Sereno, CA 95030	6/24/04 6/28/07 7/08/10	6/13/13

Museum Coordinator:

Swift, Carolyn

Museum

410 Capitola Ave, Capitola, CA 95010

464-0322

Email: cswift@ci.capitola.ca.us

Swift, Carolyn

Home

208 Halton Lane, Watsonville, CA 95076

662-8106

Email: carolyn.swift@gmail.com

* Second Thursday in June (Pursuant to Municipal Code §2.28.020 D.)

[Revised: 7/12 md]



CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 13, 2013

FROM: OFFICE OF THE CITY CLERK

SUBJECT: APPROVAL OF THE CITY COUNCIL MEETING MINUTES OF THE MAY 22, 2013, SPECIAL BUDGET SESSION; AND THE MAY 23, 2013, REGULAR CITY COUNCIL MEETING

RECOMMENDED ACTION: Approve the subject minutes as submitted.

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

ATTACHMENTS:

1. May 22, 2013, Special Budget Session
2. May 23, 2013, Regular City Council Meeting

Report Prepared By: Susan Sneddon, CMC
City Clerk

Reviewed and Forwarded
By City Manager: _____

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**CAPITOLA CITY COUNCIL
SPECIAL JOINT MEETING
CAPITOLA CITY COUNCIL/SUCCESSOR AGENCY
TO THE FORMER REDEVELOPMENT AGENCY
JOINT BUDGET STUDY SESSION
THURSDAY, MAY 22, 2013 - 6:00 PM**

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Members Ed Bottorff, Michael Termini, Sam Storey, and Mayor Stephanie Harlan. Council Member Dennis Norton arrived at 6:10 p.m.

City Treasurer Kym DeWitt was absent.

2. GENERAL GOVERNMENT/PUBLIC HEARINGS

- A. Presentation of the proposed 2013/2014 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]

Finance Director Hannah provided an overview of the Fiscal Year 2013/2014 Budget which included an update on the City's Reserves and General Fund finances, and a summary of key revenues/expenditures. She reviewed the following: (1) Measure O revenues; (2) sales tax revenues; (3) estimated revenue from Lower Pacific Cover Parking Lot; (4) salary expenditures; (5) post employment benefit contributions; and (6) additional contributions to Information Systems and Equipment Funds. She also reviewed proposed projects for Fiscal Years 2012/2013, 2013/2014 and 2014/2015. Ms. Hannah presented estimated personnel changes for Fiscal Year 2012/2013 and proposed personnel changes for Fiscal Year 2013/2014.

City Manager Goldstein stated that as a result of the City's settlement with Lexington Insurance Company (in relation to the March 2011 pipe failure claim) staff is suggesting allocation of \$1.145 million in settlement funds to the following: (1) Long-term obligation reduction (\$500,000); (2) Capital Improvement Projects (\$145,000); and (3) Reserves (\$500,000). He reviewed options to reduce the City's following long-term obligations: (1) Pay down Santa Cruz County Bank or iBank debt; (2) adjust Miscellaneous Employees' Memorandum of Understanding; and (3) establish a PERS prepayment Fund. Mr. Goldstein reviewed various financial risks and assumptions.

Council Member Storey requested that staff look into maintaining the grant-funded police officer position. He asked about the long-term justification for the proposed Environmental Services Manager; he requested that Council be provided with a job description. He also requested a report on the City's debt service obligation over the long-term (e.g. pension obligation and Measure D funds), and that staff provide recommendations for allocating funds for Capital Improvement Projects using the City's settlement funds.

Public Works Jesberg stated that beginning July 1, 2013, the City is charged with implementing Phase II of the Storm Water Management Program requiring significant reporting/monitoring/implementation; therefore staff is recommending the Environmental Services Manager position.

Council Member Termini stated that the City's goal is to maintain clean and safe streets; therefore the next three years should focus on public safety and public works staffing.

Public Works Jesberg provided a list of the following proposed Fiscal Year 2013/2014 Capital Improvement Projects utilizing the City's settlement funds: (1) Improvements at the intersection of Monterey Avenue/Park Avenue; (2) Hill Street pedestrian improvements; and (3) Rispin Park improvements.

Mayor Harlan suggested regular sidewalk cleaning in the Village be added to the proposed Fiscal Year 2013/2014 Budget.

Council Member Norton requested that a Council discussion occur regarding Stockton Avenue/Esplanade intersection due to a public safety issue.

Council Member Termini requested that City Council receive a benchmark debt ratio between the City's long-term debt and revenues.

Council Member Bottorff asked for clarification regarding City staffing levels.

City Manager Goldstein responded that there exists strategic opportunities to increase the staffing level to maximize benefits to the City to support service demands and state/federal requirements.

Mayor Harlan asked when revisions to the City's zoning code will be agendized for Council approval.

Community Development Director Grunow responded that DC&E is drafting new zoning ordinances which will be provided to the City Council in the Spring of 2014.

TJ Welch, local resident, provided suggestions regarding personnel benefits, Community Based Health and Human Service Providers Grants, and activities for children in the community (e.g. skate park).

Council Member Termini requested that the Mayor and one Council Member review the Community Based Health and Human Service Providers Grant applications. (Mayor Harlan asked for a Council Member to assist her in reviewing the applications; Council Member Termini accepted).

Administrative Services Director Murphy stated that presentations from the various grant applicants are scheduled for the May 30, 2013, Special Budget Study Session; she will provide the applications to Mayor Harlan and Council Member Termini for review.

No City Council action required for this item.

3. ADJOURNMENT

Mayor Harlan adjourned the meeting at 7:30 p.m. to the next Regular Meeting of the City Council to be held on Thursday, May 23, 2013, at 7:00 p.m., in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

Stephanie Harlan, Mayor

ATTEST:

_____, CMC
Susan Sneddon, City Clerk

**CAPITOLA CITY COUNCIL
REGULAR MEETING ACTION SUMMARY
THURSDAY, MAY 23, 2013 - 7:00 PM**

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

CALL TO ORDER

Mayor Harlan called the meeting to order at 5:45 p.m. She announced the items to be discussed in Closed Session, as follows:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Govt. Code §54956.9)

Schroedel et al. v. the City of Capitola, the Santa Cruz Superior Court Case No. CV 175684.

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION [Significant exposure to litigation pursuant to subdivision (b) of Govt. Code §54956.9]

Surf and Sand Mobile Home Park

CONFERENCE WITH LABOR NEGOTIATOR (Govt. Code §54957.6)

Negotiator: Lisa Murphy, Administrative Services Director

Employee Organizations:

- (1) Capitola Police Officers Association; (2) Capitola Police Captains; (3) Association of Capitola Employees; (4) Confidential Employees; (5) Mid-Management Group;
- (6) Department Head Group

PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Govt. Code §54957)

City Council's Performance Evaluation of the City Attorney

LIABILITY CLAIMS (Govt. Code §54956.95)

Claimant: Dominique Townsend

Agency claimed against: City of Capitola

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

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

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

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

City Treasurer Kym DeWitt was present.

12401 CAPITOLA CITY COUNCIL ACTION MINUTES – Thursday, May 23, 2013

2. PRESENTATIONS

- A. Proclamation designating the Month of May 2013 "Clean Air Month." [120-40]

Proclamation received by Mike Gilroy, Deputy Air Pollution Control Officer, Monterey Bay Unified Air Pollution Control District.

- B. Proclamation designating May 18th through May 24th as "National Safe Boating Week." [120-40]

Proclamation received by Lynda Dossett, Flotilla Commander of U.S. Coast Guard Auxiliary Flotilla 6-10 Capitola.

3. REPORT ON CLOSED SESSION [520-25]

City Attorney Barisone stated that the City Council received status reports regarding the following closed session items: (1) City Council met with the City Attorney Barisone and Assistant City Attorney Paterno regarding existing litigation in relation to Schroedel et al. v. the City of Capitola; there was no reportable action; (2) City Council met with the City Attorney Barisone, Assistant City Attorney Paterno, and City Manager Goldstein, regarding anticipated litigation related to Surf and Sand Mobile Home Park; there was no reportable action; (3) City Council met with the City Manager Goldstein and the City's labor negotiation, Administrative Services Director Murphy, regarding the Capitola Police Officers Association, Capitola Police Captains, Association of Capitola Employees, Confidential Employees, Mid-Management Group, and the Department Head Group; there was no reportable action; (4) City Council received a report on the tort claim filed by Dominique Townsend; there was no reportable action (this item is agendaized for the regular meeting this evening). Due to time constraints the City Council's performance evaluation of the City Attorney was not discussed.

4. ADDITIONS AND DELETIONS TO AGENDA (none provided)

5. PUBLIC COMMENTS

Laurie Hill, Capitola Begonia Festival representative, provided an update on the 2013 Capitola Begonia Festival.

Marilyn Garrett, local resident, stated she opposes wireless radiation.

Sandy Erickson, local resident, inquired about the amount of Police Department overtime, and various concerns related to the City's proposed Fiscal Year 2013/2014 Budget. She also stated concerns regarding an unleashed dog in her neighborhood.

6. COUNCIL/STAFF ANNOUNCEMENTS

City Clerk Sneddon announced that the American Red Cross will be holding a blood drive on June 5, 2013, at the Community Center.

Council Member Norton requested that staff agendaize an item for a future City Council meeting regarding water and sewer hook-up fees for secondary units in Capitola.

CAPITOLA CITY COUNCIL ACTION MINUTES – Thursday, April 25, 2013

Council Member Termini stated that the 2013 Art & Wine Festival kick-off event and fundraiser was held last week; the Rod & Custom Class Car Show will be held on June 8-9; the Art & Cultural Commission is working on an “art app” for smart phones that will provide the location of various art exhibits and historical building sites in the City.

Police Chief Escalante stated that there will be a Memorial Day Ceremony in front of City Hall on May 27th. He also reported the results of the City’s Gun Give-Back Program.

Mayor Harlan stated that the Santa Cruz County Sanitation District approved the design and construction of the Soquel Pump Station Project.

7. BOARDS, COMMISSIONS AND COMMITTEES APPOINTMENTS (none provided)

8. CONSENT CALENDAR

Council Member Norton requested that Item 8.B. be pulled from the Consent Calendar.

ACTION Motion made by Council Member Storey, seconded by Council Member Termini, to approve Items 8.A, 8.C., 8.D., 8.E., and 8.F. on the Consent Calendar. The motion carried unanimously with the exception of Mayor Harlan abstaining from Item No. 8.A.

- A. Consideration of approving the City Council Minutes of the Regular Meeting May 9, 2013.
- B. Approval of City Check Register Reports dated April 19, 2013; April 25, 2013; May 3, 2013; and May 10, 2013. [300-10]
- C. Confirmation of the City Investment Policy, Administrative Policy Number III-1. [100-10]
- D. Consider approving the third amendment to the Agreement for City Attorney Services with Atchison, Barisone, Condotti & Kovacevich in the amount of \$133,560; and authorize the City Manager to execute the agreement. [570-30/500-10 A/C: Atchison, Barisone, Condotti & Kovacevich]
- E. Deny liability claim of Dominique Townsend in the amount of \$172.17 and forward to the City’s liability insurance carrier. [Claims Binder]
- F. Adoption of Resolution No. 3955 approving the City of Capitola Local Hazard Mitigation Plan. [420-20]

The City Council took separate action on the following Consent Calendar item (Item 8.B.):

- B. Approval of City Check Register Reports dated April 19, 2013; April 25, 2013; May 3, 2013; and May 10, 2013. [300-10]

ACTION Motion made by Council Member Norton, seconded by Council Member Storey, to approve Items 8.B. The motion carried unanimously.

12403 CAPITOLA CITY COUNCIL ACTION MINUTES – Thursday, May 23, 2013

9. GENERAL GOVERNMENT/PUBLIC HEARINGS

- A. Consider approving the Esplanade Kiosk Public Art Project; approving an agreement with Kim Chavez in an amount not to exceed \$15,000; and approving Administrative Policy V-12, Use of Display Cases on the Village Esplanade Kiosk. [1010-10/500-10 A/C: Chavez, Kim]

ACTION Motion made by Council Member Norton, seconded by Council Member Termini, to approve the Esplanade Kiosk Public Art Project; approving an agreement with Kim Chavez in an amount not to exceed \$15,000; and approving Administrative Policy V-12, Use of Display Cases on the Village Esplanade Kiosk. The motion was approved unanimously.

- B. Consideration of authorizing the sale of a portion City-owned property located at McGregor Drive (APN 036-341-02) to the Soquel Creek Water District. [1160-10/500-10 A/C: Soquel Creek Water District]

Public Works Director Jesberg presented this item. He stated that this property sale involves a small portion of a large parcel; the sale does not impact potential future development in the large parcel. He reviewed the terms and conditions of the property sale including Water Demand Offset Credits.

ACTION Motion made by Council Member Termini, seconded by Council Member Bottorff, to authorizing the sale of a portion City-owned property located at McGregor Drive (APN 036-341-02) to the Soquel Creek Water District. The motion was approved unanimously.

- C. Consideration of a Resolution granting consent to Santa Cruz County to form a second Tourism Marketing District. [150-70]

Maggie Ivy, Santa Cruz County Conference and Visitor's Council CEO, was available for questions and comments.

Sandy Erickson, local resident, requested additional information regarding forming a second Tourism Marketing District.

ACTION Motion made by Council Member Termini, seconded by Council Member Storey, to adopt Resolution No. 3955 granting consent to Santa Cruz County to form a second Tourism Marketing District. The motion was approved unanimously.

- D. Consider a framework for review of the Parking Meter Programs. [470-30]

Public Works Director Jesberg stated that at the April 25, 2013, City Council meeting, Council Member Bottorff requested that the Traffic and Parking Commission (Commission) explore, analyze and recommend pay station expansion, as well as make recommendations for parking time periods and rate increases/decreases in various areas including the lower Pacific Cove property. In January 2013, the City adopted an Ordinance amendment (Ordinance No. 978) pertaining to parking meter rates and zones, and to allow the City to issue itself a Coastal Permit when the City Council changes parking hours, meter/pay station rates, add or eliminate

CAPITOLA CITY COUNCIL ACTION MINUTES – Thursday, April 25, 2013

meters/pay stations or change areas where meters/pay stations are installed. Unfortunately, this Ordinance amendment will not be heard by the Local Coast Commission until August 2013. He presented a framework showing the Commission's timing to provide parking rate recommendations to the City Council. He recommended that in order to have the Lower Pacific Cove Parking Lot in a meter zone a second Ordinance be introduced at the June 13, 2013, City Council meeting that will include amended meter rates and zones. In addition, pursuant to the State Vehicle Code, the City must set meter zones and rates by Ordinance. Due to the timing of the Coastal Commission's consideration of Ordinance No. 978 adopted in January 2013, any rate changes and other area changes should be deferred until September 2013, and will require both a Coastal Development Permit and Ordinance revision.

Nels Westman, Traffic and Parking Commission (Commission) Chair, stated that the Commission can meet in June 2013 to provide recommendation at a July 2013, City Council meeting regarding the proposed 3-hour parking limit in the Village.

The following local residents opposed parking meters on Cherry Avenue:

Linda Wadley
Sandy Erickson

Motion by Council Member Norton to remove all parking meters in the City. The motion dies due to a lack of a second motion.

ACTION

Motion made by Council Member Termini, seconded by Council Member Norton, to approve the framework for the review of the Parking Meter Programs, and for the Traffic and Parking Commission to make a recommendation to the City Council regarding expanding the 2-hour parking limit. The motion was passed unanimously.

- E. Consider sending a letter in opposition of Assembly Bill 5, Ammiano "Homeless Bill of Rights." [580-40]

ACTION

Motion made by Council Member Termini, seconded by Council Member Storey, to approve sending a letter in opposition of Assembly Bill 5, Ammiano "Homeless Bill of Rights." The motion was passed unanimously.

10. CITY COUNCIL/TREASURER COMMENTS/COMMITTEE REPORTS

Mayor Harlan encouraged the public to visit the Capitola Historical Museum to see a collection of photographs and artifacts related to the City's history.

City Treasurer DeWitt stated that at the May 28th City Financial Advisory Committee there was a discussion regarding allocating the \$1.145 million in settlement funds; she recommended using the settlement funds to pay off the Santa Cruz County Bank loan.

Finance Director Hannah announced that the next Financial Advisory Committee will be held on Tuesday, May 28th at 6 p.m.

City Manager Goldstein provided a report regarding the revised schedule for removing the remaining mobilehome coaches from the former Pacific Cove Mobile Home Park.

Council Member Norton, as representative on the Santa Cruz County Regional Transportation Commission, provided an update on the completion dates for the Highway 1 Soquel/Morrissey Auxiliary Lanes Project, the La Fonda Bridge Demolition & Reconstruction Project, and the next phase of the Highway 1 – 41st Avenue/Soquel Auxiliary Lane Project to be initiated in 2017 or 2018.

11. ADJOURNMENT

Mayor Harlan adjourned the meeting at 9:00 p.m. to the Special Budget Study Session of the City Council and the Successor Agency to be held on Thursday, May 30, 2013, at 6:00 p.m., in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

Stephanie Harlan, Mayor

ATTEST:

_____, CMC
Susan Sneddon, City Clerk



**ACTION SUMMARY MINUTES
CAPITOLA PLANNING COMMISSION
THURSDAY, JUNE 6, 2013
7 P.M. CAPITOLA COMMUNITY CENTER**

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

2. ORAL COMMUNICATIONS

A. Additions and Deletions to Agenda

B. Public Comments

C. Commission Comments

D. Staff Comments

3. APPROVAL OF MINUTES

A. May 2, 2013, Regular Meeting Minutes

ACTION: Approved 5-0

4. CONSENT CALENDAR

A. 137 CORTEZ STREET #13-062 APN: 036-226-11

Design Permit to construct a second floor deck in the R-1 (Single-Family Residence) Zoning District.

Environmental Determination: Categorical Exemption

Owner: David McKinnon, filed: 5/6/13

ACTION: Approved 5-0

5. PUBLIC HEARINGS

A. 4980 CAPITOLA ROAD #13-045 APN: 034-041-07

Design Permit to convert an existing office use into a duplex in the CR (Commercial/Residential) Zoning District.

Environmental Determination: Categorical Exemption

Owner: Mark Murphy

Applicant: Thomas Branagan, filed: 4/5/13

ACTION: Approved 5-0

B. 305 FANMAR WAY #13-026 APN: 035-161-14

Coastal Permit and Design Permit to remodel an existing multi-story single-family house, including a first and second story addition in the RM-LM (Multi-Family Residence - Low Medium) Zoning District.

Environmental Determination: Categorical Exemption

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

Owner: Peter Wilk, filed: 2/19/13

Representative: Derek Van Alstine

ACTION: Approved 5-0

C. 1575 38th AVENUE #13-061 APN: 034-181-17

Planned Development Rezoning, Conditional Use Permit, and Design Permit to demolish a commercial salvage yard (Capitola Freight and Salvage) and construct a three-story, 23-unit residential senior housing project in the CN (Neighborhood Commercial) Zoning District.

Environmental Determination: Mitigated Negative Declaration

Property Owner: Maureen A. Romac, filed: 5/11/13

Representative: Steve Thomas

ACTION: Denied 3-2

6. DIRECTOR'S REPORT

7. COMMISSION COMMUNICATIONS

8. ADJOURNMENT

Adjourned at 10 p.m. to the next Planning Commission meeting Thursday, July 18, 2013, at 7 p.m. in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.



CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 13, 2013

FROM: CITY MANAGER'S DEPARTMENT

SUBJECT: LIABILITY CLAIMS

RECOMMENDED ACTION: Deny liability claim and forward to the City's liability insurance carrier.

DISCUSSION:

The following claimant has filed a liability claim against the City of Capitola:

1. Kyle Rupp; \$60.00

ATTACHMENTS: None

Report Prepared By: Liz Nichols
Executive Assistant to the City Manager

Reviewed and Forwarded
by City Manager: _____

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CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 13, 2013

FROM: FINANCE DEPARTMENT

SUBJECT: CONSIDER THE ADOPTION OF A RESOLUTION SETTING THE FISCAL YEAR
2013-2014 APPROPRIATION LIMIT

RECOMMENDED ACTION: Adopt a Resolution setting the Fiscal Year 2013-2014 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 1978-79 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, 2013, 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.

The 2013-14 calculation is:

Item #: 8.D. Staff Report.pdf

6-13-13 CITY COUNCIL AGENDA ITEM

AGENDA STAFF REPORT: SETTING THE 2013-2014 APPROPRIATION LIMIT

Annual % change in County Population minus Exclusions	X	Change in California per capita Income	=	Appropriation Factor	X	FY 2012-13 Appropriation Limit	=	FY 2013-14 Appropriation Limit
1.005		1.0512		1.0565		\$22,924,774		\$24,220,024

The proposed 2013-14 Budget tax revenues are:

Source of Tax Revenue	2013-14 Budget
Sales Tax and Triple Flip (1%)	\$ 5,058,500
District Taxes (Measures D and O)	\$ 2,037,500
Property Tax and In-Lieu	\$ 1,681,900
Transient Occupancy Tax	\$ 984,300
Franchise Taxes	\$ 479,200
Business License Tax	\$ 280,000
Interest Income from tax revenue	\$ 1,430
	<u>\$ 10,522,830</u>

The 2013-14 % of appropriations limit used is:

For Fiscal Year ended:	2011-12	2012-13	2013-14
Appropriations Limit	\$ 17,915,578	\$ 22,924,774	\$ 24,220,024
Tax revenue	\$ 8,377,700	\$ 8,817,975	\$ 10,522,830
Remaining to limit	\$ 9,537,878	\$ 14,106,799	\$ 13,697,194
% of limit used	46.76%	38.46%	43.45%
Increase over prior year - \$	\$ 3,325,157	\$ 5,009,196	\$ 1,295,250
Increase over prior year - %	22.8%	28.0%	5.7%

FISCAL IMPACT: The appropriations limit increased \$1,295,250 to \$24.2 million or 5.7% from 2012-13 to 2013-14.

ATTACHMENTS:

1. Draft Resolution

Report Prepared By: Lonnie Wagner
Accountant II

**Reviewed and Forwarded
By City Manager:** 

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
SETTING THE 2013-2014 FISCAL YEAR APPROPRIATION LIMIT PURSUANT
TO ARTICLE XIII B 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 2013-2014 Fiscal Year Appropriation Limit shall be \$ 24,220,024 calculated as follows:

Population change within the county:	1.0050
Change in California per capita Income	1.0512
2012-13 Appropriation Limit:	\$ 22,924,774
Adjustment Factor (1.0050 x 1.0512)	x 1.0565
2013-14 Appropriation Limit:	<u>\$ 24,220,024</u>

I HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the City Council of the City of Capitola on the 13th day of June, 2013, by the following vote:

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

Stephanie Harlan, Mayor

ATTEST:

_____, CMC
Susan Sneddon, City Clerk

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CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 13, 2013

FROM: FINANCE DEPARTMENT

SUBJECT: CAPITOLA VILLAGE AND WHARF BUSINESS IMPROVEMENT AREA
FISCAL YEAR 2013-2014 ASSESSMENTS

RECOMMENDED ACTION: Adopt the proposed Resolution of Intention to Levy Business Improvement Assessments for FY 2013-2014, which receives the annual report and Proposed Fiscal Year 2013-2014 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 2013-2014 for Thursday, June 27, 2013, 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 2013-2014 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 2013-2014, the CVWBIA Annual Report proposes no change in the assessment area

The annual report also outlines the CVWBIA's Fiscal Year 2013-2014 planned activities and proposed budget. Activities for Fiscal Year 2013-2014 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.

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 2013-2014, 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 27, 2013, 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 #: 8.E. Staff Report.pdf

6-13-13 AGENDA REPORT

CAPITOLA VILLAGE & WHARF BUSINESS IMPROVEMENT AREA FY 13-14 ASSESSMENT

A representative of the Capitola Village and Wharf Business Improvement Area 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 27, 2013.

The Capitola Village and Wharf Business Improvement Area 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.

ATTACHMENTS:

1. Draft Resolution (Includes Exhibit A, annual report & proposed Fiscal Year 2013-2014 Budget);
2. Draft Notice of Public Hearing to be sent by CVWBIA.

Report Prepared By: Kyle Solberg.
Senior Account

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 2013/2014**

WHEREAS, the Capitola Village and Wharf Business Improvement Area (“CVWBIA”) has prepared a report to the City of Capitola for Fiscal Year 2013/2014 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 2013-14 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 2013/2014.

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 27, 2013, 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 2013-2014 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 13th day of June, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Stephanie Harlan, Mayor

ATTEST: _____
Susan Sneddon, City Clerk

EXHIBIT A

(Resolution No. _____)

**Annual Report & Proposed Fiscal Year 2013-2014 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 75,000 directories were printed and distributed in Fiscal Year 2011-2012.
2. **Directory Distribution.** The CVWBIA has contracted with Certified Folder Display Service for distribution of 45,000 brochures in the San Jose, Santa Clara Area 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.

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 and 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 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.

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.	\$1260.
Restaurant / Bar / Take-out	\$480.	\$960.	\$1440.
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 2000 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. The amounts of the gift certificates for each category and payment levels are as follows:

<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, 2014
Village Listing	April 30, 2014
Village Brochure	April 30, 2014

Capitola Village & Wharf Business Improvement Area
Estimated Actual for FY 2012-2013 and Proposed Budget for FY 2013-2014

	FY 11/12 Actual	FY 12/13 Adopted	FY 12/13 Mid-Year	FY 13/14 Proposed
Beginning Fund Balance	\$ 5,455	\$ 5,431	\$ 5,431	\$ 11,756
Revenues				
BIA Assessment Revenues- Cash	53,444	58,200	55,330	56,000
BIA Assessment Revenues- Trade	13,605	12,000	8,980	9,000
Interest Revenue	121	100	21	20
Total Revenues	67,170	70,300	64,331	65,020
Total Source of Funds	\$ 72,625	\$ 75,731	\$ 69,762	\$ 76,776
(Beg. Fund Bal & Revenues)				
Expenditures				
Advertising	\$ 54,170	\$ 59,100	\$ 45,744	\$ 52,500
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	843	1,000	541	1,000
Website	1,720	1,000	1,521	2,000
Administrative Assistant	260	300	-	300
Total Use of Funds	67,194	71,600	58,006	66,000
Ending fund Balance at June 30th	\$ 5,431	\$ 4,131	\$ 11,756	\$ 10,776

The following tables provide detail for selected items of the proposed FY 13/14 Budget:

Revenues *	Proposed FY 13/14
Food	19,680
Hotels	17,640
Office	2,400
Retail	22,260
Short Term Rentals	7,380
Subtotal	\$ 69,360

Advertising	Proposed FY 13/14
Gift Cert.-Contest **Trade	9,000
Holiday	4,500
CVC Partnership	9,000
TV/Radio	8,000
CDS Distribution	7,500
Directories Printing	6,500
Consulting-Marketing & Internet	7,000
Printing Explore	1,000
Subtotal	\$ 52,500

* 13/14 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 2012-13 actual.

Expenditures:

Summary. The proposed expenditures include advertising and related services of \$52,500, 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, \$2,000 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 (\$9,000).** 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 (\$12,000).** We spend over \$12,000 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.
- **Hotel TV Channel.** In the current 2013-14 year, the CVWBIA will advertise on a TV channel which will be played in over 25 area hotels.

The CVWBIA will begin Fiscal Year 2013-2014 with an estimated fund balance of \$11,756.

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

<u>Business Address</u>	<u>Business Name</u>	<u>TYPE</u>	<u>FY13/14 Est. Size</u>	<u>FY13/14 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
104 Stockton Ave	Village Grill & Creamery	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
207 Esplanade	My Thai Beach	F	0 - 5	\$480
215 Esplanade	Paradise Beach Grille	F	> 10	\$1,440
209A Esplanade	Pizza My Heart	F	6 - 10	\$960
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
224 Esplanade	Starz Cupcakes	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
201 Monterey #C	To Thai For	F	0 - 5	\$480
1400 Wharf Rd	Wharf House Restaurant	F	0 - 5	\$480
203 Esplanade	Zelda's	F	> 10	\$1,440
105 Stockton	Village Deli	F	0 - 5	\$480
311 Capitola Ave	Calypso's Cove	F	0 - 5	\$480
210 Esplanade	Capitola Hotel	H	8	\$2,880
5000 Cliff Dr	Harbor Lights Motel	H	10	\$3,600
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
331F Capitola Ave	Advanced Ingredients	O		\$120
312D Capitola Ave	Beach House Rentals	O		\$120
331 Capitola Ave	Capitola Village Real Estate	O		\$120
210 Stockton Ave	Capitola Surf & Paddle	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

Item #: 8.E. Attach 1.pdf

<u>Business Address</u>	<u>Business Name</u>	<u>TYPE</u>	<u>FY13/14</u> <u>Est.</u> <u>Size</u>	<u>FY13/14</u> <u>Est. Amt</u> <u>Due</u>
409 Capitola Ave. #A	Liz De Puydt Photography	O		\$120
331 Capitola Ave. #B	Michael Lavigne Real Estate	O		\$120
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
201 Monterey #E	Run Rhino Inc.	O		\$120
331 Capitola Ave. #D	Suess Insurance Agency	O		\$120
309 Capitola Ave.	Vice Salon	O		\$120
312 Capitola Ave SteC	Violet Blossom Massage	O		\$120
425 Capitola Ave. #2	Webster & Associates	O		\$120
111 Capitola Ave	Alchemology	R	0 - 5	\$420
103 Stockton Ave	Armida Winery	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
421-B Capitola Ave	Buck's World	R	0 - 5	\$420
131 Monterey	Capitola Beach Co.	R	0 - 5	\$420
1400 Wharf Rd	Capitola Boat & Bait	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
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
115 San Jose Ave.	Grateful Tie Dyes	R	0 - 5	\$420
219 Capitola Ave	Hot Feet	R	0 - 5	\$420
210 Capitola Ave	Hour Place	R	0 - 5	\$420
115 San Jose Ave, Ste. #11	In the Raw	R	0 - 5	\$420
207 Monterey Avenue	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
115 San Jose Ave, Ste. #2	Nazar Turkish Imports	R	0 - 5	\$420
202 Capitola Ave.	Nubia Swimwear	R	0 - 5	\$420
204 Capitola Ave	Oceania	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

<u>Business Address</u>	<u>Business Name</u>	<u>TYPE</u>	<u>FY13/14</u> <u>Est.</u> <u>Size</u>	<u>FY13/14</u> <u>Est. Amt</u> <u>Due</u>
300 Capitola Ave	Quality Market	R	0 - 5	\$420
116 San Jose Av	Rainbow City Limit	R	0 - 5	\$420
115 Capitola Ave	Capitola Reef	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
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
111 San Jose Ave #J	Flip Flop Shop	R	0 - 5	\$420
222 San Jose Av	Avonne Stone Jacobs, Judy Jacobs	SR	1	\$180
1500 Wharf Rd. #1	Bob Coe	SR	1	\$180
303 Cherry Way	Cal & Carla Cornwell	SR	1	\$180
109 San Jose Avenue	Capitola Associates, LLC	SR	1	\$180
305 Riverview Ave.	Capitola Pelican House	SR	1	\$180
307 Capitola Ave #B	Capitola Suites/BF Partnership	SR	1	\$180
207 & 215 San Jose Ave, A & B	Clare St. Laurent	SR	4	\$720
1500 Wharf Rd #5	Colleen Merle Lund	SR	1	\$180
5005 Cliff Dr #6	Connie Eshleman	SR	1	\$180
109 Monterey #8	David Johnson	SR	1	\$180
116 Esplanade #A-B	Dorean Moore	SR	2	\$360
310 Riverview Ave	Eleaner 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
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
225 San Jose Av	Michelle & Stephen Murphy *NEW OWNERS	SR	1	\$180
1500 Wharf Rd. #20	Leonard Tyson	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
318 Capitola Ave #5	Mike & Karen McCormick "A Beach Condo"	SR	1	\$180
208 Monterey C	Pat & Frank Castagnola	SR	1	\$180

Item #: 8.E. Attach 1.pdf

<u>Business Address</u>	<u>Business Name</u>	<u>TYPE</u>	<u>FY13/14</u> <u>Est.</u> <u>Size</u>	<u>FY13/14</u> <u>Est. Amt</u> <u>Due</u>
327 Riverview Ave A	Paulo Franca	SR	1	\$180
1500 Wharf Rd #11	Robert Chestnut "Venetian Condo"	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
318 Riverview Ave	Tammie Jann	SR	1	\$180
4960 Cliff Dr. #2	Tim & Stacy Hopkins	SR	1	\$180
1500 Wharf Rd #7	Viola M Carr	SR	1	\$180
1500 Wharf Rd #3,4	Watson Family Limited Partnership (Mike Newell)	SR	2	\$360
419 Capitola Ave	Cali Maple Designs	X	-	\$0

<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	\$17,640
O=OFFICE	Per Business	O	\$2,400
R=RETAIL/SERVICE	Per Employee Category: 0-5; 6-10; >10 Employees	R	\$22,260
SR =SHORT TERM RENTALS	Per Unit or Room	SR	\$7,380
X=EXEMPT	No Assessment	X	-
		Total	\$69,360

NOTICE OF PUBLIC HEARING

ANNUAL RENEWAL OF THE CAPITOLA VILLAGE AND WHARF BUSINESS IMPROVEMENT AREA

Hearing Body: Capitola City Council
Hearing Date: Thursday, June 27, 2013
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 2013-2014. 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 of Directors at 831-465-8444 or by email at capitolavillage@aol.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 27, 2013, 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 831-465-8444 or City Manager Jamie Goldstein at 831-475-7300.

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CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 13, 2013

FROM: CITY MANAGER'S DEPARTMENT

SUBJECT: CONSIDER AN AGREEMENT WITH CHARTER BUSINESS TO ENHANCE THE CITY'S WIDE AREA AND INTERNET CONNECTIVITY

RECOMMENDED ACTION: Consider an agreement with Charter Business to upgrade the City's Wide Area and Internet Connectivity in an amount not to exceed \$28,000, and authorize the City Manager to execute the agreement.

BACKGROUND: The current City Wide Area Network was installed over ten years ago and has very limited connection speeds. The network between remote City facilities and City Hall is often saturated, which leads to reduced efficiencies in the Recreation Program and the Public Works Department who rely on those connections. Recreation, in particular, relies heavily on network connectivity in their day-to-day operations

The current City internet connection was installed five years ago and needs to be upgraded to meet current and future data requirements.

DISCUSSION: The importance of data networks has increased significantly in recent years, resulting in the need to improve the City's network infrastructure. The bandwidth requirements of applications continue to increase and the City's current network infrastructure does not always meet those requirements.

Connection	Current Speed	Proposed Speed
Community Center	1.5 Mbps	10 Mbps
PW Corporation Yard	1.5 Mbps	10 Mbps
Internet – City Hall	3.0 Mbps	20 Mbps

The Charter Business Proposal (Attachment 1) includes installing fiber connectivity between City Hall and the Community Center, and between City Hall and the Corporation Yard. The Proposal also includes new fiber Internet connectivity for City Hall. That fiber can accommodate higher internet speeds should the City wish to upgrade service in the future.

In addition the Proposal includes a Voice Trunk Connection that will allow the majority of telephone lines at City Hall and the PD to be moved to this service.

FISCAL IMPACT: The Proposal costs \$26,340/yr for network costs and \$751 in one-time installation costs for a total of \$27,091 during the first year. This will be offset by the termination of the existing \$19,232 network service contract, for a net fiscal impact of \$7,859 in Fiscal Year 2013-2014. The costs associated with the network upgrades are included in the proposed Fiscal Year 2013-2014 Budget.

Item #: 8.F. Staff Report.pdf

6-13-2013 AGENDA REPORT:

AGENDA STAFF REPORT: AGREEMENT WITH CHARTER BUSINESS

Connection	Current Annual Expenditure	Proposed Annual Expenditure
Voice Connectivity at City Hall and PD	\$7,200	\$4,020
Internet Connectivity for the City of Capitola	\$7,760	\$8,172
Wide Area Connectivity between City Facilities	\$4,272	\$14,148
Installation Costs (one-time)		\$751
Total for Upgraded Services	\$19,232	\$27,091
Difference in Annual Costs		\$7,859

ATTACHMENTS

1. Service Agreements from Charter Business for Data Transport, Business Internet Access, and Voice Trunk Service

Report Prepared By: Larry Laurent
Information Systems Specialist

Reviewed and Forwarded
By City Manager: 



201010061451054

DATA TRANSPORT SERVICE AGREEMENT

This Service Agreement ("Agreement") is executed and effective upon the latest date of the signatures set forth in the signature block below ("Effective Date") by and between Charter Fiberlink CA-CCO, LLC, ("Charter Business" or "Charter") with local offices at 4781 Irwindale Ave. Irwindale, CA 91706, and City of Capitola, ("Customer") with offices located at 420 Capitola Ave, Capitola, CA 95010-3318.

Both parties desire to enter into this Agreement in order to set forth the general terms under which Charter is to provide Customer with Charter's services ("Service" or "Services") to Customer site(s), the scope and description to be specified per site below and/or in a Service order(s) executed by both parties (each instance of site identification and order a "Service Order" or collectively the "Service Orders"), which shall be incorporated in this Agreement upon execution. This Agreement and each Service Order will be effective only after both parties have signed each document.

SERVICE ORDER

Under the Data Transport Service Agreement

CUSTOMER INFORMATION:

Account Name: City of Capitola
Invoicing Address: _____
Invoicing Special Instructions: _____

1. SITE-SPECIFIC INFORMATION:

New Renew Change: Order Type: New Customer
Proposed Installation Date: TBD

Service Location (Address): 420 Capitola Ave, Capitola, CA 95010-3318

Service Location Name (for purposes of identification): City Hall _____

Service Location Special Instructions: _____

Non-Hospitality or Non-Video

2. SITE-SPECIFIC INFORMATION:

New Renew Change: Order Type: New Customer
Proposed Installation Date: TBD

Service Location (Address): 4400 Jade St., Capitola, CA 95010-3318

Service Location Name (for purposes of identification): Recreation _____

Service Location Special Instructions: _____

Non-Hospitality or Non-Video

3. SITE-SPECIFIC INFORMATION:

New Renew Change: Order Type: New Customer
 Proposed Installation Date: TBD

Service Location (Address): 430 Kennedy Dr., Capitola, CA 95010-3318

Service Location Name (for purposes of identification): Corporate Yard

Service Location Special Instructions:

Non-Hospitality or Non-Video

Customer Contact Information. To facilitate communication the following information is provided as a convenience and may be updated at any time without affecting the enforceability of the terms and conditions herein:

	Billing Contact	Site Contact	Technical Contact
Name		Larry Laurent	Larry Laurent
Phone		(831) 475-7300 x206	(831) 475-7300 x206
Fax			
Cell			
Email Address		llaurent@ci.capitola.ca.us	llaurent@ci.capitola.ca.us

MONTHLY SERVICE FEES:		
Data Services:		
Charter Business Bundle: No Bundle *		
<u>Base Service</u>		
MEF Service Types (if applicable): _____		
Speed:	10 Mbps (Down/Up) 3 Sites @ \$393.00 per	\$1,179.00
CPE:	_____	
<u>IP Options</u>		
Static IP Package:	BI: IP, Static /28 (13 IP pack)	\$0.00
Static IP Addresses:	_____	

* If Customer has selected the Charter Business Special Offers, the Section 3(f) of the Standard Terms of Service (for Charter Business Bundle) shall apply.

ONE-TIME CHARGES:	
One-Time Standard Installation Fee: 3 Sites @ \$167.00 per	\$501.00
ONE-TIME CHARGES \$501.00	

2. TOTAL FEES.

Total Monthly Service Fees of \$1,179.00 are due upon receipt of the monthly invoice.

Total One-Time Charges of \$501.00 are included in the first monthly invoice.

3. **SERVICE PERIOD.** The initial Service Period of this Service Order shall begin on the date installation is completed and shall continue for a period of 60 months. Upon expiration of the initial term, this Service Order shall automatically renew for successive one-month terms and Charter may then apply Charter's then-current Monthly Service Fees unless either party terminates this Service Order by giving thirty (30) days prior written notice to the other party before the expiration of the current term.

8. **FACSIMILE.** A copy sent via fax machine or scanned and e-mailed of a duly executed Agreement and Service Order signed by both authorized parties shall be considered evidence of a valid order, and Charter may rely on such copy of the Agreement and Service Order as if it were the original.

NOW THEREFORE, Charter and Customer agree to the terms and conditions included within this Service Agreement, including the Commercial Terms of Service which follow, and hereby execute this Service Agreement by their duly authorized representatives.

Charter Fiberlink CA-CCO, LLC

City of Capitola

By:

By: Charter Communications, Inc., its Manager

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Charter Business Account Executive:

Name: John Murphy

Telephone: 408-846-3774



201010061451059

BUSINESS INTERNET ACCESS, VIDEO AND MUSIC SERVICE AGREEMENT

This Service Agreement ("Agreement") is executed and effective upon the latest date of the signatures set forth in the signature block below ("Effective Date") by and between Charter Communications Properties LLC, ("Charter Business" or "Charter") with local offices at 4781 Irwindale Ave., Irwindale, CA 91706, and City of Capitola, ("Customer") with offices located at 420 Capitola Ave, Capitola, CA 95010-3318.

Both parties desire to enter into this Agreement in order to set forth the general terms under which Charter is to provide Customer with Charter's services ("Service" or "Services") to Customer site(s), the scope and description to be specified per site below and/or in a Service order(s) executed by both parties (each instance of site identification and order a "Service Order" or collectively the "Service Orders"), which shall be incorporated in this Agreement upon execution. This Agreement and each Service Order will be effective only after both parties have signed each document.

SERVICE ORDER

Under the Business Internet, Video and Music Service Agreement

CUSTOMER INFORMATION:

Account Name: City of Capitola
Invoicing Address: _____, _____, _____
Invoicing Special Instructions: _____

1. SITE-SPECIFIC INFORMATION:

New Renew Change: Order Type: New Customer
Proposed Installation Date: TBD

Service Location (Address): 420 Capitola Ave, Capitola, CA 95010-3318

Service Location Name (for purposes of identification): City Hall _____

Service Location Special Instructions: _____

Non-Hospitality or Non-Video

Customer Contact Information. To facilitate communication the following information is provided as a convenience and may be updated at any time without affecting the enforceability of the terms and conditions herein:

	Billing Contact	Site Contact	Technical Contact
Name		Larry Laurent	Larry Laurent
Phone		831-475-7300 x206	831-475-7300 x206
Fax			
Cell			
Email Address		llorent@ci.capitola.ca.us	llorent@ci.capitola.ca.us

MONTHLY SERVICE FEES:	
Data Services:	
<i>Charter Business Bundle: No Bundle *</i>	
<u>Base Service</u>	
MEF Service Types (if applicable): _____	\$681.00
Speed: 20 Mbps (Down/Up)	
CPE: _____	
<u>IP Options</u>	
Static IP Package: BI: IP, Static /28 (13 IP pack)	\$0.00
Static IP Addresses: _____	

* If Customer has selected the Charter Business Special Offers, the Section 3(f) of the Standard Terms of Service (for Charter Business Bundle) shall apply.

ONE-TIME CHARGES:	
One-Time Standard Installation Fee:	\$250.00
ONE-TIME CHARGES \$250.00	

2. TOTAL FEES.

Total Monthly Service Fees of \$681.00 are due upon receipt of the monthly invoice.

Total One-Time Charges of \$250.00 are included in the first monthly invoice.

3. SERVICE PERIOD. The initial Service Period of this Service Order shall begin on the date installation is completed and shall continue for a period of 60 months. Upon expiration of the initial term, this Service Order shall automatically renew for successive one-month terms and Charter may then apply Charter's then-current Monthly Service Fees unless either party terminates this Service Order by giving thirty (30) days prior written notice to the other party before the expiration of the current term.

4. TROUBLE REPORTS. Charter Business Network Operations Center: 866.603.3199

Charter operates and maintains the Charter Business Network Operations Center ("CB NOC"), which is staffed 24 hours a day, 7 days a week, 365 days a year. To report suspected problems with your fiber-based Service(s) call the CB NOC for support @ 866.603.3199. Charter shall provide a telephone response to such calls within one (1) hour, and, if necessary, initiate a physical response within four (4) hours of receiving Customer's call reporting the problem. Once the CB NOC representative has received the necessary information, a Customer Trouble Ticket will be assigned and investigation of Trouble Ticket will begin. After the status of the Trouble Ticket has been determined, the CB NOC will contact Customer's designated contact individual at the appropriate number to discuss the findings.

5. SERVICE CREDITS. Customer shall be entitled to one (1) hour of service credit per Site per affected fiber optic-based Service (i.e. circuit) for each hour of Service Interruption if the interruption: (a) exceeds four (4) consecutive hours, (b) is not caused by

Item #: 8.F. Attach 1.pdf

NOW THEREFORE, Charter and Customer agree to the terms and conditions included within this Service Agreement, including the Commercial Terms of Service which follow, and hereby execute this Service Agreement by their duly authorized representatives.

Charter Communications Properties LLC

City of Capitola

By:

By: **Charter Communications, Inc., its Manager**

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Charter Business Account Executive:

Name: John Murphy

Telephone: 408-846-3774



* *
201303062577586
201303062577586

VOICE TRUNK SERVICE AGREEMENT

This Charter Business ("CB") Voice Trunk Services Agreement ("Agreement") is executed and effective upon the latest date of the signatures set forth in the signature block below ("Effective Date") by and between Charter Advanced Services (CA), LLC, on behalf of itself and its Affiliates that provide communications services, ("Charter Business" or "Charter") with offices at 12405 Powerscourt Drive, St. Louis, Missouri 63131 and City of Capitola, ("Customer") with offices located at 420 Capitola Ave, Capitola, CA 95010-3318.

Both parties desire to enter into this Agreement in order to set forth the general terms under which Charter is to provide Customer with Charter's services ("Service" or "Services") to Customer site(s), the scope and description to be specified per site below and/or in a Service order(s) executed by both parties (each instance of site identification and order a "Service Order" or collectively the "Service Orders"), which shall be incorporated in this Agreement upon execution. CB Voice Trunk Services are governed by the terms and conditions contained in the applicable Tariff(s)/Service, Price and Terms Guide for the U.S. state in which the Service is provided and any applicable federal tariff. The applicable CB Voice Trunk Service Tariff(s)/Service, Price and Terms Guide for your state can be found at Charter's website, <http://www.charter.com/Visitors/Policies.aspx?Policy=9> (or any successor URL), and clicking on your U.S. state.

This Agreement and each Service Order will be effective only after both parties have signed each document.

Customer's continuous use of the Service(s) after the implementation of any change(s) to the applicable Tariff(s)/Service, Price and Terms Guide or terms and conditions of the Service, which may change from time to time, shall reflect Customer's agreement thereto. Customer shall have the right to terminate this Service Order in the event Customer objects to any material change to the applicable Tariff(s)/Service, Price and Terms Guide that adversely affects Customer's rights under this Agreement by providing Charter with written notice within sixty (60) days of such change and provided that Customer pays any unpaid or previously waived one-time charges and any applicable early termination charges.

If any provisions herein conflict with provisions in Charter's tariff(s) or Service Price and Terms Guide (as applicable), the tariff(s) or Service Price and Terms Guide (as applicable) shall control.

SERVICE ORDER

Under the Voice Trunk Service Agreement

CUSTOMER INFORMATION:

Account Name: City of Capitola
Invoicing Address: 420 Capitola Ave, Capitola, CA 95010-3318
Invoicing Special Instructions: _____
Customer Federal Tax ID#: _____

1. SITE-SPECIFIC INFORMATION.

NEW RENEWAL CHANGE Specify: _____
Proposed Installation Date: TBD
Service Location (Address): 420 Capitola Ave, Capitola, CA 95010-3318
Service Location Name (for purposes of identification): City Hall _____
Service Location Special Instructions: _____

Service Period: 60 months



Charter provided:

Charter will install the Charter Business® Voice Trunk Service ("Voice Trunk") into each customer Service Location as listed in the Service Order(s). The parties hereby acknowledge that Charter will also supply facilities at each Service Location as may be necessary to provide the Service(s) as specified in the Service Order(s).

Charter will terminate any necessary fiber-optic cable required for use of the Service on a patch panel at an agreed upon Minimum Point of Penetration (MPOP) fifty (50) feet within each Service Location, pursuant to the terms of a separate agreement entered into by the parties. Customer shall be responsible for paying Charter for any costs associated with installation of fiber optic cable or other facilities to an MPOP located more than fifty (50) feet within a Service Location.

Customer Provided:

The Customer will make available to Charter a building ground connection at each Service Location that meets current electrical code requirements for the placement of a fiber-optic patch panel and/or other necessary equipment. It is recommended that the Customer provide a separate 20 Amp 110V AC circuit that is powered by a UPS system for the customer premises electronics and/or other facilities installed by Charter at the Service Location.

Customer Contact Information. To facilitate communication the following information is provided as a convenience and may be updated at any time without affecting the enforceability of the terms and conditions herein:

	Billing Contact	Site Contact	Technical Contact
Name		Larry Laurent	Larry Laurent
Phone		831-475-7300 x206	831-475-7300 x206
Cell			
Email Address		l laurent@ci.capitola.ca.us	l laurent@ci.capitola.ca.us

MONTHLY SERVICE FEES:	
CB Voice Trunk Services:	
Total PRI MRC: PRI Quantity: 1	\$325.00
Total SIP Trunk Pack MRC: SIP Trunk Pack Quantity: _____	_____
Total PRI/SIP DID 10 MRC: PRI/SIP DID 10 Quantity: _____	_____
Total PRI/SIP DID 20 MRC: PRI/SIP DID 20 Quantity: 3	\$10.00



Total PRI/SIP DID 100 MRC:	
PRI/SIP DID100 Quantity: _____	_____
Total PRI/SIP Additional Services MRC:	
PRI/SIP Additional Services: _____	_____
Long Distance Service: 5,000 Minutes	\$0.00
CB Toll Free Number Information:	
BT: Toll Free Numbers Monthly Fee:	
BT: Quantity Toll Free Numbers: _____	_____
BT: Toll Free Features Monthly Fee:	
BT: Toll Free Features: _____	_____
BT: Toll Free Directory Listing Fee:	
BT: Toll Free Directory Listing: _____	_____
Related Services:	
Additional Listing:	_____
Additional Services: _____	_____
TOTAL MONTHLY SERVICE FEES	\$335.00

ONE-TIME CHARGES:	
Additional Outlets to Install: _____	_____
Wall Fishes: _____	_____
Other Services Provided: _____	_____
One-Time Standard Installation Fee: _____	\$0.00
ONE-TIME CHARGES	\$0.00

2. TOTAL FEES.*



Total Monthly Service Fees of \$335.00 are due upon receipt of the monthly invoice.*

~~Total One-Time Charges of \$0.00 are due with payment of the first monthly invoice.*~~

* Customer understands and agrees that pricing set forth herein is unique to the Customer and is Charter confidential information.

- 3. **SERVICE PERIOD.** The initial Service Period of this Service Order shall begin on the date installation is completed and shall continue for a period of 60 months. Upon expiration of the initial term, this Service Order shall automatically renew for successive one-month terms and Charter may apply Charter's then-current Monthly Service Fees unless either party terminates this Service Order by giving thirty (30) days prior written notice to the other party before the expiration of the current term.
- 4. **ADDITIONAL INFORMATION.**
 - a. Customer understands and agrees that installation of the Service(s) described in this Service Order will not occur until Customer provides the following completed documents to Charter:
 - i. Voice Trunk Configuration Sheet;
 - ii. Voice Trunk DID Sheet;
 - iii. Voice Trunk Directory Listing Sheet.
 - b. Customer's long distance minutes to Alaska, Hawaii, Canada, Puerto Rico, intrastate long distance or calls to local access providers charging "per minute" rates that are higher than the four then-current largest ILECs within the U.S., must not exceed 10% of Customer's total long distance usage from Charter within a one-month billing cycle. Notwithstanding anything to the contrary stated in this Agreement, in the event Customer's usage of the aforementioned Services exceeds the 10% limitation in any one-month billing cycle, Charter shall have the right to suspend, upon twenty-four (24) hours notice (via telephone and/or email), the affected Service(s). Customer shall have (7) days to notify Charter it has modified its long distance traffic usage to comply with this provision before Charter restores Service(s). In the event Customer violates this provision more than two (2) times within any twelve (12) months, Charter will have the right to terminate the respective Service Order and/or the Agreement.
- 5. **EMERGENCY CALLING.** By executing this Service Order, Customer acknowledges that Customer's address for 911/E911 purposes shall be the Service Location to which Charter delivers Service(s), and Customer accepts any limitations on the 911/E911 functionality of the Service(s) as specified in the for Voice Trunk Service Agreement.
- 6. **NO UNTRUE STATEMENTS.** Customer further represents and warrants to Charter that neither this Service Order, nor any other information, including without limitation, any schedules or drawings furnished to Charter contains any untrue or incorrect statement of material fact or omits or fails to state a material fact.
- 7. **CONFIDENTIALITY.** Customer hereby agrees to keep confidential and not to disclose directly or indirectly to any third party, the terms of this Service Order or any other related Service Orders, except as may be required by law. If any unauthorized disclosure is made by Customer and/or its agent or representative, Charter shall be entitled to, among other damages arising from such unauthorized disclosure, injunctive relief and a penalty payment in the amount of the total One-Time Charges associated with this Service Order, and Charter shall have the option of terminating this Service Order, other related Service Orders and/or the Service Agreement.
- 8. **FACSIMILE.** A copy sent via fax machine, or scanned and e-mailed, of a duly executed Agreement and Service Order signed by both authorized parties shall be considered evidence of a valid Order, and Charter may rely on such copy of the Agreement and Service Order as if it were the original.

NOW THEREFORE, Charter and Customer agree to the terms and conditions included within this Service Agreement, including the Commercial Terms of Service which follow, and hereby execute this Service Agreement by their duly authorized representatives.

By: Charter Advanced Services (CA), LLC

By: Charter Communications Inc., Its Manager

City of Capitola

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Charter Business Account Executive:

Name: John Murphy

Telephone: 408-846-3774



CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 13, 2013

FROM: OFFICE OF THE CITY CLERK

SUBJECT: DESIGNATION OF VOTING DELEGATE AND ALTERNATES FOR THE 2013 LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE TO BE HELD IN SACRAMENTO SEPTEMBER 18 THROUGH SEPTEMBER 20, 2013

RECOMMENDED ACTION: Designate Capitola's Voting Delegate and Alternate(s) for the 2013 League of California Cities Annual Conference.

DISCUSSION: The League of California Cities ("League") Annual Conference for 2013 will be held in Sacramento, California, from Wednesday, September 18 through Friday, September 20, 2013. The annual business meeting (at the General Assembly) is scheduled for 12 p.m. (Noon) on Friday, September 20, at the Sacramento 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 2, 2013, 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.

Mayor Stephanie Harlan is planning to attend this conference.

FISCAL IMPACT: None.

ATTACHMENTS

1. Memo dated April 26, 2013, 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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MAY 06 2013

CITY OF SACRAMENTO
CITY OF CAPITOLA1400 K Street, Suite 400 • Sacramento, California 95804
Phone: 916.658.8200 Fax: 916.658.8240
www.cacities.org

Council Action Advised by August 2, 2013.
--

PLEASE NOTE: You are receiving this letter and form earlier than usual because hotel space near the Sacramento Convention Center for the Annual Conference will be especially tight this year. As a result, we want to encourage you to make your hotel reservations early.

April 26, 2013

TO: Mayors, City Managers and City Clerks

**RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
League of California Cities Annual Conference – September 18 - 20, Sacramento**

The League's 2013 Annual Conference is scheduled for September 18 - 20 in Sacramento. An important part of the Annual Conference is the Annual Business Meeting (*at the General Assembly*), scheduled for noon on Friday, September 20, at the Sacramento 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 23, 2013. This will allow us time to establish voting delegate/alternates' 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. In order to cast a vote, at least one person must be present at the

- 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.

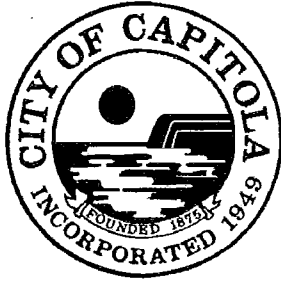
The Voting Delegate Desk, located in the conference registration area of the Sacramento Convention Center, will be open at the following times: Wednesday, September 18, 9:00 a.m. – 6:30 p.m.; Thursday, September 19, 7:00 a.m. – 4:00 p.m.; and September 20, 7:30–10:00 a.m. The Voting Delegate Desk will also be open at the Business Meeting on Friday, but not during a roll call vote, should one be undertaken.

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 23. If you have questions, please call Mary McCullough at (916) 658-8247.

Attachments:

- 2013 Annual Conference Voting Procedures
- Voting Delegate/Alternate Form



CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 13, 2013

FROM: POLICE DEPARTMENT

SUBJECT: AUTHORIZE THE SURPLUS AND SALE OF TWO SURPLUS POLICE
MOTORCYCLES

RECOMMENDED ACTION: Authorize the Police Department to surplus and sell two police motorcycles: 2007 Harley Davidson Motorcycle (VIN 1HD1FHM1X7Y661310); and 2007 Harley Davidson Motorcycle (VIN 1HD1FHM177Y663662).

BACKGROUND: The surplus and sale of City property requires City Council authorization. The Police Department would like to request that City Council approve the sale and surplus of two 2007 Harley Davidson police motorcycles. The proceeds from the sales of these motorcycles will offset the costs of the purchase of one 2012 Honda police motorcycle.

DISCUSSION: On June 6, 2013, the City Council approved the purchase of a 2012 Honda police motorcycle as part of the Fiscal Year 2012/2013 Budget. The 2012 Honda police motorcycle was determined to be more effective than the Harley Davidson motorcycle due to the City's summer traffic conditions, size, and topography. The approval of the surplus and sale of the 2007 Harley Davidson motorcycles would allow the Fiscal Year 2012/2013 Honda motorcycle purchase to be cost neutral.

FISCAL IMPACT: It is anticipated that the sale of these two motorcycles will result in \$17,000 in unanticipated revenues to the Equipment Acquisition and Replacement Fund. These funds will be used to purchase a marked police motorcycle for \$16,720.

ATTACHMENTS:

1. Quote from Hollister Honda

Report Prepared By: Rudy Escalante
Chief of Police

Reviewed and Forwarded
By City Manager

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QUOTATION

City of Capitola Police Department

2012 NC 700 XC

1 Year Unlimited Mile Warranty

<u>Manufacturer</u>	<u>Model</u>	<u>Description</u>
Honda	NC700XC	A newly constructed Police Motorcycle

Police Pricing

Unit Cost	\$7,199.00
Equipment Set Up & Install	\$6,777.00
Police Bike Sub Total:	\$13,976.00
Delivery to Customer	\$0
DOC Fee	\$80.00
Tire Fee (non taxable)	\$3.50
DMV Fee (Exempt)	\$0
Sale Tax	\$1,159.62

Grand Total per Police Motorcycle	\$15,219.12
METRO MOBILE RADIO	\$ 2,074.59
TOTAL	\$ 17,293.71



Items on the Police Motorcycle

- Optimate Connection
- Optimate Eyelet
- Terminal House
- Mini Fuse block
- Speaker
- Siren
- LED Red
- OS Marker Clear Red
- 500 Series Black Trim Ring
- Coupler ML 110 M 6PIN
- Coupler ML 110 FM 9PIN
- Radio Bracket
- Tail Light Bracket
- Baton Holder
- Windshield
- Saddle Bags
- Engine Guard
- Light Switch

Also included:

- Install of the Police radio system

Ken Berry, Director of Business Development
Greenwood Motors-Hollister Honda
(408)710-7483

www.metro-mobile.com



3549 Haven Ave, Suite A
Menlo Park, CA 94025-1070

phone 650-367-1992 | 800-383-2929
fax 650-367-1995

Sales Order # 34971

This quote valid for 30 days.

Quote Date: 6/6/2013

Sched Ship Date: 1-4

Bill To:
CITY OF CAPITOLA PD
Andrew Dally
422 Capitola Avenue
Capitola CA 95010
831-475-4242, xt. 518

Ship To:
CITY OF CAPITOLA
422 Capitola Avenue
Capitola, CA 95010
Cell 831-212-5396

PO #

Rep: PESSA
Pessah@MetroMobile.com

Terms: Net 30

Qty	Item Id	Description	Unit Price	Extended Price
1	MOTOR EQUIP	Motorcycle Equipment: PVP Wireless Headset -PVHK-736M3R10-D/G3 For Nolan-N104 Helmet	795.00	795.00T
1	PVP MOT KIT	PVP Wireless Motor Kit -Portable G3 for Honda NC700X	695.00	695.00T
1	MOTOR EQUIP	Motorcycle Equipment: PVP Portable Only Speaker/Mic - PVSM-JD/G3 For Motorola JDI Series Radio	299.00	299.00T
1	SERVICE-hr	Labor - hourly charge - To install wireless equipment on Harley Davidson	98.00	98.00
1	SHIPPING	Shipping This is estimate only. If the police department decides to purchased the demo equipment this estimate will turn into a invoice. Demo Period is 90 days	40.00	40.00

Subtotal \$1,927.00
Sales Tax (8.25%) \$147.59
Total \$2,074.59

MMC Rep Signature

Date

Authorized Purchaser Signature

Date

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CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 13, 2013

FROM: CITY MANAGER'S DEPARTMENT

SUBJECT: FINAL REVIEW OF 41ST AVENUE MEDIAN PUBLIC ART PROJECT

RECOMMENDED ACTION: Review the Art & Cultural Commissions' recommendation for final approval of the 41ST Avenue Median Public Art Project (Project).

BACKGROUND: In January 2011, the City Council authorized the Art and Cultural Commission (Commission) to move forward with a public art project in the medians along 41ST Avenue from Gross Road to Brommer Street, the gateway to the City's commercial corridor. The Council agreed with the assessment that this Project would beautify and add much needed interest to this area as well as extend the City's public art focus from the Village into the commercial area of 41ST Avenue.

The Commission completed the selection process utilizing an art panel composed of local artists, residents and Commissioners, and selected the concept presented by Troy Corliss. On March 22, 2012, the City Council approved the artist and his concept comprised of three thematic groupings of artwork installations along the median strip on 41ST Avenue. Pursuant to the City's Municipal Code and the Art & Cultural Master Plan, once the Commission accepts the final Design Development Proposal, staff can issue the notice to proceed.

DISCUSSION: The Art & Cultural Commission reviewed the final Design Development Proposal at their meeting on May 14, 2013, and unanimously accepted the final proposal. Although this Project may now proceed, staff felt that because this Project is the largest undertaking by the Commission, and it has been over a year since the Council last saw the Project, it would be appropriate for the artist to present this Project to the Council one last time prior to proceeding to with the fabrication.

Commissioning artwork is a unique process that is unlike construction or other contracted services. Creating unique, site specific artwork requires discovery as part of the process, and is difficult to quantify at the early concept stage. From the concept proposal stage through the engineering stage the number of elements has been modified but the concept of three thematic vignettes; sails, kayaks and boards remains the same.

Description of the Project from Contract:

Artwork shall be comprised of three thematic groupings of artwork installations along the median strip on 41ST Avenue, as follows:

1. The first shall be near the south side of Highway 1 near the intersection of Gross Street, and shall be 'sails' of various sizes and shapes; and
2. The second shall be located in the mid-section of the 41st Avenue commercial district north of Capitola Avenue, and shall be a series of kayaks; and
3. The third and final grouping shall be south of Jade/Brommer Streets, and shall be one or more groupings of surfboards position vertically.

Item #: 9.A. Staff Report.pdf

6-13-13 CITY COUNCIL AGENDA ITEM

AGENDA STAFF REPORT: FINAL REVIEW OF 41ST AVENUE MEDIAN PUBLIC ART PROJECT

The original concept proposal showed kayaks that were three dimensional. Through the design development process the artist has changed the design to two dimensional in keeping with the same characteristics as the sails and the surfboards, and reduced the number. There were also some limitations in the ability to actually construct the three dimensional kayaks due to the uniqueness of the materials, as well as the costs associated with the concept as it was engineered.

The artist also reduced the number of boards from nine to five because he felt the massing of the boards would not allow the viewer to really see the true design of the boards and negatively the impact the sunlight's ability to illuminate the boards.

The Commission did not feel that these modifications changed the integrity or the overall concept of the Project as proposed. The visual aesthetic remains the same, sculptural vignettes with references to life on the water.

FISCAL IMPACT: The total budget for this Project is \$230,000, and is funded through the Public Art Fund. This restricted fund is only used for the acquisition, installation, and improvement of public art projects.

ATTACHMENTS:

1. Final Design to be presented at the meeting

Report Prepared By: Lisa G. Murphy
Administrative Services Director

**Reviewed and Forwarded
By City Manager:** _____



CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 13, 2013

FROM: COMMUNITY DEVELOPMENT DEPARTMENT

SUBJECT: PRESENTATION OF UPDATED GENERAL PLAN WORK PLAN AND SCHEDULE

RECOMMENDED ACTION: Receive the presentation and accept the updated work plan and schedule.

BACKGROUND: A comprehensive update to the City of Capitola's General Plan, Zoning Ordinance, and Local Coastal Plan was initiated in the fall of 2010. The effort included an intensive public participation plan and preparation of several studies and technical reports necessary to bring the General Plan into compliance with current legal standards. Four special study areas were designated for focused consideration within targeted areas of the City. The initial work plan envisioned simultaneous adoption of the General Plan, zoning ordinance, Local Coastal Plan (LCP), and associated implementing ordinances and design guidelines.

On March 14, 2013, the City Council considered the first draft General Plan Land Use Element. The Council and public offered feedback on the Land Use Element and overall General Plan Update process. Based on testimony and comments received, staff has reassessed the General Plan Update approach and process.

DISCUSSION: Completion of the General Plan Update is the top priority of the Community Development Department. The principle objective is to deliver a General Plan which embodies Capitola's core vision and values while enabling efficient land use administration. To that end, a refined work plan is proposed which emphasizes completion of the General Plan in a collaborative, timely, and cost effective manner.

Key changes to the work plan include decoupling the General Plan process from the zoning ordinance and LCP updates, focusing the content of the General Plan, and initiating the Environmental Impact Report (EIR) process. The General Plan is proposed to be completed within budget by Spring 2014.

Approach

At the March 14, 2013, City Council meeting, members of the Council and public commented that the draft Land Use Element contained details which were overly specific. Staff agrees and intends to remove project-specific information, design details, and illustrations which have been the source of considerable debate. Instead, the General Plan will be refocused to build upon the foundation of the General Plan Advisory Committee (GPAC) endorsed Guiding Principles with complimentary goals and policies.

General Plan goals and policies will aim to preserve and enhance Capitola's unique identity while allowing for moderated growth in targeted areas of the City. As a mostly built-out City, Capitola has limited capacity for new development and there is general consensus that increased densities and/or intensities should not be introduced to established residential neighborhoods or developed areas of the Village. Accordingly, the General Plan will emphasize enhancements in these areas, such as improved accessibility, sustainability, historic preservation, economic viability, and

Item #: 9.B. Staff Report.pdf

6-13-13 CITY COUNCIL AGENDA ITEM

AGENDA STAFF REPORT: PRESENTATION OF UPDATED GENERAL PLAN WORK PLAN AND SCHEDULE

ensuring that any new development is harmonious with existing community character.

Keeping the General Plan "general" in nature will afford decision-makers with flexibility to adapt to changes which will inevitably occur over the next 20-30 years. Specific development standards will be developed in conjunction with the zoning ordinance, local coastal plan, and design guidelines, which can be modified by the City Council without the need for future general plan amendments.

Process

General Plan

The refined work plan would decouple the General Plan process from the zoning ordinance and LCP updates. While there is general consensus on most of the broad visions, goals, and policies to be included in the General Plan, there remains substantial disagreement regarding specific development standards and design details which will be provided in a new zoning ordinance and/or design guidelines. A phased work approach would concentrate limited staff resources toward completion of the General Plan while preventing delays associated with implementing ordinances. In addition, the approach will allow for a more complete discussion of the zoning ordinance update, without the pressure of completing the General Plan.

Another concern heard at the March 14, 2013, City Council hearing was that it was challenging to review the Land Use Element without the context of other General Plan elements. Accordingly, staff and their consultants will prepare a complete draft General Plan for GPAC and public review. Once GPAC endorsement is achieved, a joint Planning Commission/City Council Study Session will be scheduled to review the entire document, and provide policy direction on remaining issues.

Although proposed process changes are expected to facilitate timely adoption of the General Plan Update, it is recognized that full consensus on all issues is unrealistic. Where consensus cannot be attained, staff will consider all perspectives, thoroughly analyze issues, and present recommendations and alternatives to the City Council and Planning Commission.

Environmental Impact Report

Due to the critical path nature of the CEQA process, staff recommends that preparation of the General Plan EIR be initiated. The EIR would evaluate alternative land use scenarios with varying density and intensity designations in areas which have greater capacity for future growth (41st Avenue, Bay Avenue/Highway 1, etc.). This information will provide the public and decision makers with a more accurate impact comparison of different land use scenarios.

Zoning Ordinance and Local Coastal Plan

Work on the zoning ordinance and LCP will continue during the General Plan Update process. Staff will continue to engage the public, stakeholders, Planning Commission, and City Council to create a list of needed zoning ordinance improvements, modifications, and additions. All embedded ordinances, such as the sign ordinance, will also be evaluated as part of the zoning ordinance update. It is anticipated that the zoning ordinance and LCP will be adopted in the Summer of 2014.

Public Participation

Ample opportunities remain for public participation within the existing budget. The GPAC will hold a meeting to review and comment on the draft General Plan, which will be open to interested members of the public. In addition, the EIR process will include a public scoping meeting and a minimum 45-day public review period. At that point the public hearing process will transition to Planning Commission and then City Council meetings/workshops to review the General Plan and EIR. Staff will also remain available throughout the process to discuss the project with any interested member of the public.

6-13-13 CITY COUNCIL AGENDA ITEM

AGENDA STAFF REPORT: PRESENTATION OF UPDATED GENERAL PLAN WORK PLAN AND SCHEDULE

Schedule

The process to update a General Plan in coastal California is notoriously time consuming. At this point, the project schedule in Capitola has slipped by about six months. The current schedule calls for completion in Spring 2014, three and on-half years after project initiation. To complete the project in that timeframe, staff recommends decoupling and focusing the General Plan to accelerate the remaining schedule. This schedule assumes that outstanding issues can be resolved in a timely manner and no CEQA challenges are filed.

The following proposed schedule offers an ambitious but realistic timeline to complete the General Plan Update:

<u>Milestone</u>	<u>Date</u>
EIR Initiated	June, 2013
General Plan Public Review	September, 2013
GPAC Meeting	October/November, 2013
Joint Planning Commission/City Council Meeting	November, 2013
Start EIR Public Review	November, 2013
Conclude EIR Public Review	January, 2014
Planning Commission Hearing	March, 2014
City Council Hearing	April, 2014

Budget

The City collects a General Plan Maintenance Fee to support the General Plan Update. The current General Plan Maintenance Fee is collected with building permits at a rate of 0.6% of the total project valuation. These funds were collected exclusively for this purpose and may only be used for General Plan maintenance activities. The adopted Fiscal Year 2013/2014 Budget projects an available balance in the General Plan Maintenance Fund of \$240,002. If fees continue to accrue as projected over the next several years, it is anticipated there will be sufficient funds to support the update process.

The approved consultant contract with DC&E/The Planning Center has a total budget of \$892,068, of which \$218,068 is funded through grants, and \$674,000 from General Plan Maintenance Fees. Approximately \$41,000 in grant funds remains available to finance the project. A total of \$626,383.80 has been expended to date, with a remaining balance of \$265,684.20.

It is anticipated that the General Plan update will be completed within the existing budget through a combination of General Plan Maintenance Fees and remaining grant funds. Any additional work necessary to complete the final zoning ordinance and LCP would be performed by internal staff.

FISCAL IMPACT: None

ATTACHMENTS: None

Report Prepared By: Richard Grunow
Community Development Director

**Reviewed and Forwarded
By City Manager:** 

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CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 13, 2013

FROM: CITY MANAGER AND FINANCE DEPARTMENTS

SUBJECT: CONSIDER UPDATES TO FINANCIAL MANAGEMENT POLICIES AND RESCIND
RESOLUTION NO. 2683 RELATED TO INTERNAL BORROWINGS

RECOMMENDED ACTION: Approve updates to the City's Financial Management Policies and rescind Resolution No. 2683 which relates to internal borrowings.

BACKGROUND: In September of 1994, the City adopted Resolution No. 2683 which gave the City Manager the authority to make temporary cash loans between certain funds to meet short-term cash flow requirements. In addition, in 2000 the City adopted Financial Management Policies which established the City's protocol for management of its Operating and Capital Budgets and to standardize and rationalize the issuance of debt by the City.

Staff is recommending consolidating the provisions of Resolution No. 2683 with the City's Financial Management Policies; while also providing clarifying language to ensure consistency with current best practices. This includes providing the City Manager with the authority to make temporary short-term loans for cash management purposes between and among the General Fund, Internal Service Funds, and Contingency Reserves; as well as establishing related reporting requirements.

DISCUSSION: The City's Financial Management Policies address Internal Borrowings and contains reference to Resolution No. 2683. This Resolution states the "City Manager is authorized, as cash shortages arise, to make temporary cash loans between and among the General Fund and all other City funds, except the Redevelopment Agency, Special Assessment District Funds; and the Village and Beach Parking Fund, that the City Manager shall report to the City Council the amounts of such interfund loans actually made; the funds from which and to which such interfund loans were made; and the anticipated date the loans will be repaid."

The City's practice has been to use the pooled cash of the General Fund, Internal Service Funds, and Reserves to meet temporary cash flow needs. None of these temporary loans have a budgetary impact, but instead are made to stabilize the City's cash flow on an annual basis. This concept of consolidating General Fund cash is consistent with the City's independent auditor's classification of funds that constitute the General Fund; and their presentation in the City's audited Comprehensive Annual Financial Statements.

Staff is recommending consolidating information from Resolution No. 2683 into the City's Financial Management Policies, which would improve clarity and transparency by including all relevant information into a single document. The proposed language would allow the City Manager to make short-term loans between and among the General Fund, Internal Service Funds, and the Contingency Fund. The use of the Contingency Fund to manage cash flow would be consistent with the fund's purpose of "providing a prudent level of financial resources to protect against temporary revenues shortfalls or unanticipated operating costs; and/or to meet short-term cash flow requirements." It is anticipated that a temporary loan from the Internal Service Funds would not impact the funds' operations due to their primary use as a savings/purchasing conduit for specific purchases and risk management efforts. These loans would be presented to the City Council on a monthly basis, with the check register and the Treasurer's Reports.

Item #: 9.C. Staff Report.pdf

6-13-13 CITY COUNCIL AGENDA ITEM

STAFF REPORT: 2012/13 FY BUDGET FOR THE GENERAL FUND, SUCCESSOR AGENCY

Staff is also recommending the Emergency Reserve Fund be classified as "Assigned" pursuant to Governmental Accounting Standards Board (GASB) classification standards, which would not allow the fund to be used for cash flow purposes without prior Council approval. This would ensure those funds would be specifically available for one time significant unexpected events.

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

ATTACHMENTS:

1. Financial Management Policies
2. Resolution No. 2683

Report Prepared By: Tori Hannah
 Finance Director

Reviewed and Forwarded
by City Manager: 



ADMINISTRATIVE POLICY

Number: III-3
 Issued: June 8, 2000
 Revised: March 14, 2013
 Jurisdiction: City Council

FINANCIAL MANAGEMENT POLICIESPOLICY

The following financial policies (herein, the "Policies") were developed in an effort to assist the City of Capitola with the management of its operating and capital budgeting processes and to standardize and rationalize the issuance of debt by the City. Regular, updated policies are an important tool to insure the prudent use of the City's resources to meet its commitments, to provide needed services to the citizens of Capitola, and to maintain sound financial management practices. These Policies are therefore guidelines for general use, and allow for exceptions in extraordinary conditions. The Policies will have served their intended purpose if they stimulate an open debate about the City's operating and capital budget processes, existing and/ or proposed debt position, and they lead to informed decision-making by the City Council. In order to use the Policies properly, they should be applied in the context of the community's overall objectives and goals. The Policies are divided into three sections: Capital Budgeting and Reserves, Operating Budgeting and Reserves, and Other Policies.

A. CAPITAL BUDGETING AND RESERVES; ISSUANCE OF DEBT:

1. CAPITAL PLANNING -IN GENERAL:

To enhance creditworthiness and prudent financial management, the City of Capitola is committed to systematic capital planning, intergovernmental cooperation and coordination, and long-term financial planning, and implementation over a two-year period. Evidence of this commitment to systematic capital planning will be demonstrated through adoption of an annual review of the City's five-year capital improvement budget.

2. USE OF LONG-TERM FINANCING METHODS:

Major capital improvements or acquisitions valued over \$250,000 may be made using long-term financing, methods, rather than out of operating revenue. The prioritization of capital projects eligible for debt financing is accomplished through a "needs assessments" undertaken in the formulation and development of the City's five-year capital improvement budget.

3. FISCAL ANALYSIS:

The City will require each capital appropriation request to include a fiscal analysis that identifies the amount of funds requested, the source of funds requested and the impact of the request on existing revenues and operations.

4. ASSET LIFE:

The City will consider long-term financing for the acquisition, maintenance, replacement, or expansion of physical assets (including land) only if they have a useful life of at least five years. City debt will not be issued for periods exceeding the useful life or average useful lives of the project or projects to be financed.

5. CAPITAL FINANCING -IN GENERAL:

The City will rely first on internally generated funds and/or grants and contributions from other government sources to finance its capital improvement needs. Capital improvements will be financed through user fees, service charges, assessments, special taxes or developer exactions so long as the benefits the City will derive from such improvements can be attributed to the users of the improvements. Moreover, the City will specifically consider the costs associated with any borrowing in order to determine that the above funding sources are adequate to service the proposed debt. Accordingly, the Policies assume that development fees will be set at a level that is sufficient at all times to insure that new development pays its fair share of the cost of constructing new facilities in the community.

Debt will be issued for a capital improvement project only in the case of emergency or when it is an appropriate means to achieve an equitable allocation of costs between current and future beneficiaries as determined by the City Council. Debt shall not, in general, be used for projects solely because insufficient funds are budgeted at the time of acquisition or construction. Debt will only be undertaken when the City believes that project revenues or specific resources will be available and sufficient to service the debt over its life. Debt financing will not be considered appropriate for any recurring purpose such as operating or maintenance costs.

The City will evaluate the use of debt in-Lieu of "pay-as-you-go" financing based on the following criteria:

Factors Favoring "Pay-as-you-Go" Financing:

1. Current fund balances or project revenues are adequate to fund the project;
2. existing or proposed debt levels would have a deleterious effect on the City's credit rating;
3. Credit market conditions are unstable or present extraordinary difficulty in marketing the proposed debt.

Factors Favoring Use of Debt:

1. Revenues are deemed to be stable & reliable enough to support the proposed debt at investment grade ratings;
2. The nature of the financed project will support investment grade ratings;
3. Credit market conditions present favorable interest rates and demand for financing such as the City's;
4. The project being financed is mandated by the state or federal government and resources are insufficient or unavailable;
5. The project being financed is immediately required to meet or relieve capacity needs and current resources are insufficient or unavailable;
6. The estimated useful life of the asset to be financed is greater than 5 years.

6. GENERAL OBLIGATION DEBT:

General obligation bonds provide the lowest borrowing costs for major public assets. The use of a general obligation pledge usually eliminates the need for a bond reserve and due to its high credit quality and the ability to levy a tax to repay it, produces borrowing terms and costs unavailable through other methods. Moreover, since the source of repayment of a general obligation bond is from proceeds of specific taxes, the City's operating funds and its operating position are not impacted by the issuance of general obligation bonds. Though the use of the term "general obligation bond" implies that the City's "full faith and credit" would be pledged to the repayment of the bond, the bond is actually repaid from an ad valorem tax on real property. Accordingly, the general obligation bond is more properly described as a "unlimited tax" bond.

Because of the absence of a limitation on the rate and amount of the tax that might be levied to pay a general obligation bond, state law and prudent finance practice require the submission of such a proposed debt to the electorate. Article XIII of the California Constitution requires that general obligation bonds be submitted to the voters for approval and that the issuance of such bonds be approved by a two-thirds vote.

Ad valorem property taxes affect various classes of taxpayers differently. Since the enactment of Proposition 13 in 1978, the increases in assessed value of real property have been limited for established property owners. This has the effect of disproportionately burdening newer property owners, who may have less wealth or taxpaying capacity than older, more established property owners. Moreover, business property owners, whose property turns over less frequently than residential property often benefit as a result of this phenomenon.

Cities in California may issue general obligation bonds only for the purpose of acquiring, improving or constructing real property. Accordingly, it shall be the City's policy to issue general obligation bonds only for such purposes and then only when the acquisition, improvement, or construction of the proposed real property will provide benefits to the community, in significant amounts, to both users and non-users of the facility.

7. USE OF OTHER DEBT, INCLUDING REVENUE BONDS, CERTIFICATES OF PARTICIPATION OR FINANCING LEASES.

Before issuing revenue debt or financing leases, the City will determine that the proposed facility is both necessary and desirable, and that no other financing method is practical to finance it. The City may use revenue debt or financing leases for those projects which are not sufficiently popular to obtain a two-thirds vote for the issuance of general obligation bonds or which must be financed at a time, or in a manner which do not permit the use of general obligation bonds. The City shall only use revenue debt or financing leases: if the project to be financed will generate positive net revenues after debt service; or, if the project will significantly reduce City operating costs; or, if an equal or greater amount of non-City matching funds will be lost if City's revenue or financing lease funds are not applied in a timely manner; or, in the case of a financing lease, if the project to be financed is less than

\$250,000; or, if the project to be financed provides essential City services or would so advance core City policy objectives that its value overrides the value of obtaining voter approval.

B. OPERATING BUDGETING AND RESERVES

1. TWO YEAR OPERATING BUDGET.

The City will maintain a long-range fiscal perspective through the use of a two-year operating budget and a five-year capital improvement budget.

2. BALANCED OPERATING BUDGET.

The City will maintain a balanced operating budget for all governmental funds with on-going revenues equal to or greater than on-going expenditures and debt service. This policy requires that in any given fiscal year we do not budget proposed expenditures in excess of the revenue we expect to receive in the same time frame.

3. "ONE-TIME" REVENUE.

The City will use "one-time" revenues, including fund balance carry-forwards, to fund nonrecurring expenditures. "One time" revenues cannot be relied on in future budget periods and should be used to stabilize existing revenues, retire early debt or for capital purchases.

4. NORMAL REVENUE INFLATION WILL GO TO PAY NORMAL INFLATION EXPENSES.

The City will assume that normal revenue inflation will go to pay normal inflation expenses. Any new or expanded programs will be required to identify funding sources. If normal revenue inflation does not keep up with expense inflation, expenses will be decreased or a new revenue source will be found. If revenues grow at a rate faster than expense inflation, expanded service levels may be considered.

5. CONTINGENCY APPROPRIATION.

For each fiscal year, the final adopted General Fund budget shall contain a funded Contingency Appropriation equal to fifteen percent (15%) of General Fund Expenditures. The City shall implement a strategy to reach the required funding level in no more than five fiscal years. The Contingency Appropriation " will provide a prudent level of financial resources to protect against temporary revenue shortfalls or unanticipated operating costs, and/or to meet short-term cash flow requirements. "

6. EMERGENCY RESERVES.

To protect against significant one-time costs, which might arise from major unpredictable emergency events, in addition to the Contingency Appropriation, the City shall maintain a funded emergency reserve equal to ten percent (10%) of General Fund budgeted expenditures.

7. REVENUE DIVERSIFICATION.

The City will endeavor to maintain a diversified and stable revenue base to minimize the effects of economic fluctuations on revenue generation and to protect it from short-term fluctuations in any revenue source.

8. REVENUE PROJECTIONS.

The City will prepare multi-year projections of revenues and other resources in order to understand the level of funding available for services and capital acquisition. The revenue projections will assist the City in understanding of revenue sensitivity to changes in assumptions and to controllable factors such as changes to tax rates or fees. The revenue projection will be for a period of at least two years into the future to evaluate how revenues may change over time, to isolate non-reoccurring revenues and to understand the impact of revenue growth. The major assumptions used in the revenue projection will be documented and identified and different scenarios may be developed to enable City Council to choose a preferred scenario.

9. EXPENDITURE PROJECTIONS.

The City will prepare multi-year projections of expenditures for each fund and for existing and proposed new programs. The expenditure projections will assist the City in determining whether projected expenditure levels can be sustained, whether new programs are affordable, and whether a program's current and future costs are acceptable compared to program benefits and projected revenue availability. The expenditure projections will be for a period of at least two years into the future to evaluate how expenditures may change over time. All expenditure projections should identify service level assumptions and key issues that may affect actual expenditures.

10. DEVELOPMENT FEES

The City's development process costs and related administrative expenses should be offset by development fees to the greatest extent possible. Fees will be reviewed and updated on an on-going basis to ensure that they keep pace with changes in the actual costs of service delivery as well as changes in the methods or levels of service delivery.

C. OTHER POLICIES

1. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The City will comply with all the requirements of Generally Accepted Accounting Principles. The City will always conduct its financial affairs and maintain its records in accordance with GAAP as established by the Government Accounting Standards Board, so as to maintain accuracy and public confidence in its financial reporting systems.

2. COUNCIL ACTION TO BE A SCHEDULED BUSINESS ITEM, NOT CONSENT CALENDAR.

For all debt sales, the City will require that the action taken by the City Council to incur the debt will be taken as a scheduled business item, and at a regular or special City Council meeting, consistent with state law. Generally, it shall be the City's policy to submit the proposed debt issuance to the City Council in a study session wherever possible prior to submittal to the full City Council as an action item at a regular or special meeting.

3. ~~INTERNAL BORROWINGS~~INTERFUND LOANS

Provided sufficient resources are available, liquidity will not be impaired, and a defined source of repayment is available, the City will favor internal over external borrowings to achieve short-term liquidity. ~~In accordance with the City Council Resolution #2683, the City Manager is authorized to make temporary cash loans between and among the General Fund, internal service funds, and the Contingency Fund. All short-term loans and the changes in cash position will be presented to the City Council on a monthly basis. The Finance Director has the authority to initiate will initiate and the City Manager will approve inter fund borrowings, except for year-end accounting entries that create temporary inter-fund loans for the financial statement presentation purposes.~~

All short-term loans from other funds must be authorized by the City Council. , and the City Manager will report such borrowings to the Council at its next regular meeting. This includes the Emergency Reserve Fund which is designated as "Assigned" pursuant to Governmental Accounting Standards Board (GASB) Statement 54.

All interfund loans shall be repaid by the borrowing fund to the lending fund as soon as, in the opinion of the City Manager, it is fiscally prudent to do so. In addition, Interest on inter-fund loans will be recorded only when necessitated by state or federal program requirements, or other contractual or legal obligations.

4. EMPLOYEE COMPENSATION

The City will continue to pay competitive market level compensation to our employees to ensure that the City has the ability to attract and retain well-qualified personnel while ensuring that the City's compensation practices are competitive and consistent with those of comparable employers.

This policy is approved and authorized by:

Jamie Goldstein, City Manager

RESOLUTION NO. 2683

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
 AUTHORIZING THE CITY MANAGER TO MAKE INTERFUND LOANS AMONG
 THE GENERAL FUND AND ALL OTHER FUNDS EXCEPT THE REDEVELOPMENT
 AGENCY FUND; THE ASSESSMENT DISTRICT FUNDS; AND THE VILLAGE AND
 BEACH PARKING FUND; AND DIRECTING THE CITY MANAGER TO REPORT
 BACK TO THE CITY COUNCIL CONCERNING ANY INTERFUND LOANS MADE

BE IT HEREBY RESOLVED by the City Council of the City of
 Capitola that the City Manager is authorized, as cash shortages
 arise, to make temporary cash loans between and among the General
 Fund and all other City funds except the Redevelopment Agency;
 Special Assessment District Funds; and The Village and Beach
 Parking Fund; and

BE IT FURTHER RESOLVED that such interfund loans shall be
 repaid by the borrowing fund to the lending fund as soon as, in the
 opinion of the City Manager, it is fiscally prudent to do so; and

BE IT FURTHER RESOLVED that no interest on such interfund
 loans shall be paid by the borrowing fund to the lending fund; and

BE IT FURTHER RESOLVED that the City Manager shall report to
 the City Council at its next regularly scheduled meeting, the
 amounts of such interfund loans actually made; the funds from which
 and to which such interfund loans were made; and the anticipated
 date the loans will be repaid.

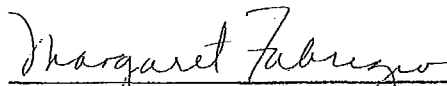
I HEREBY CERTIFY that the foregoing resolution was passed and
 adopted by the City Council of the City of Capitola on the 22nd day
 of September, 1994, by the following vote:

AYES: Council Members Garcia, Harlan and Mayor Fabrizio.

NOES: None.

ABSENT: Council Member Graves.

ABSTAIN: None.



 MAYOR

ATTEST:


 _____, CMC
 CITY CLERK

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CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 6, 2013

FROM: DEPARTMENT OF PUBLIC WORKS

SUBJECT: CONSIDERATION OF AN ORDINANCE ADDING CHAPTER 10.38 TO THE
CAPITOLA MUNICIPAL CODE SPECIFYING PARKING METER RATES AND ZONES

RECOMMENDED ACTION: Approve for a first reading, the proposed Ordinance adding Chapter 10.38 to the Capitola Municipal Code (Code) specifying parking meter rates and zones.

BACKGROUND: On May 23, 2013, the City Council approved a framework to consider changes to the parking meter zones, rates, and hours. The first task is for the Council to approve a new Chapter of the Code that is not contained in the City's Local Coastal Plan (LCP) that identifies the meter zones and rates. As the Council is aware, the California Coastal Commission is currently considering a LCP amendment that will remove the definition of the meter zones and rates from the LCP, in place requiring the issuance of a Coastal Development Permit for amendment of the meter zones in the coastal zone. In order to remain in compliance with State Vehicle Code, the City must have an ordinance in place depicting the meter zones and rates.

DISCUSSION: The proposed Ordinance mirrors the existing Code with the addition of the lower Pacific Cove area into Meter Zone B. The City is currently out to bid on a project to convert the lower Pacific Cove area to a parking lot. Currently scheduled to open in early September 2013, this Ordinance will enable the City to charge for parking in the new lot at the existing rate of \$0.50 per hour that is charged in the existing Pacific Cove Parking Lot.

FISCAL IMPACT: Adoption of this Ordinance will increase Meter Zone B by 227 spaces. The proposed Fiscal Year 2013/2014 Budget anticipates an increase in revenue of 30% for Meter Zone B from these spaces at the existing rate of \$0.50 per hour.

ATTACHMENT:

1. Draft Ordinance

Report Prepared By: **Steven Jesberg**
Public Works Director

Reviewed and Forwarded
By City Manager: 

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ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF CAPITOLA
 ADDING CHAPTER 10.38 TO THE CAPITOLA MUNICIPAL CODE
 SPECIFYING PARKING METER RATES AND ZONES

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

Section 1. Chapter 10.38 is hereby added to the Capitola Municipal Code to read as follows:

“Chapter 10.38 Specification of Parking Meter Zones and Rates.

Sections: 10.38.0101 Specification of Parking Meter Zones and Rates.

A. The following Parking Meter Zones are hereby established in the City of Capitola:

1. Parking Meter Zone A(1). The area labeled as Zone A(1) on the map attached hereto as Exhibit “A” found on file in the office of the City Clerk, shall constitute Parking Meter Zone A(1).

Parking Meter Zone A(1) includes parking spaces along both sides of the following streets located in and surrounding the Capitola Village:

- a. Capitola Avenue from Monterey Avenue to Beulah Drive;
- b. Monterey Avenue from Esplanade to the Union Pacific Railway;
- c. Esplanade along its entire length from Stockton Avenue to Monterey Avenue;
- d. San Jose Avenue from Capitola Avenue to Esplanade;
- e. Stockton Avenue from Capitola Avenue to Cliff Drive; and
- f. Wharf Road from Stockton Avenue to the Capitola Municipal Wharf.

2. Parking Meter Zone A(2). The area labeled as Zone A(2) on the map attached hereto as Exhibit “A” found on file in the office of the City Clerk, shall constitute Parking Meter Zone A(2). Parking Meter Zone A(2) includes parking spaces along both sides of the following street: Cliff Drive from Stockton Avenue to the city limits.

3. Parking Meter Zone B. The city-owned parking lots adjacent to, and directly to the north and east of Capitola City Hall, comprised of APN 35-141-33 located at 426 Capitola Avenue, which encompasses the area known as the Upper and Lower Pacific Cove Parking Lots, as depicted on the map attached hereto as Exhibit “B” found on file in the office of the City Clerk, shall constitute Parking Meter Zone B.

Item #: 9.D. Attach 1.pdf

ORDINANCE NO. _____

B. The City Public Works Director, acting in the Director's capacity as superintendent of streets, is hereby authorized to install parking meters in all public parking spaces located in all meter zones and to place appropriate signage relative to said metered parking. Parking meters will operate in each day of the week from the hours of eight a.m. to eight p.m. The City Council, by resolution or minute order, may designate days when said parking meters will not operate in any meter zone.

C. The following parking meter rates are hereby established in the city of Capitola:

Zone A(1) (Village Area)	\$1.50 per hour
Zone A(2) (Cliff Drive Area)	\$1.00 per hour
Zone B (Pacific Cove Parking Lot)	\$0.50 per hour

Section 2: This ordinance shall take effect and be in full force thirty (30) days after its final adoption by the City Council.

This ordinance was introduced on the 13th day of June, 2013, and was passed and adopted by the City Council of the City of Capitola on the ___ day of _____ 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

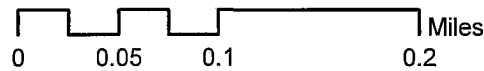
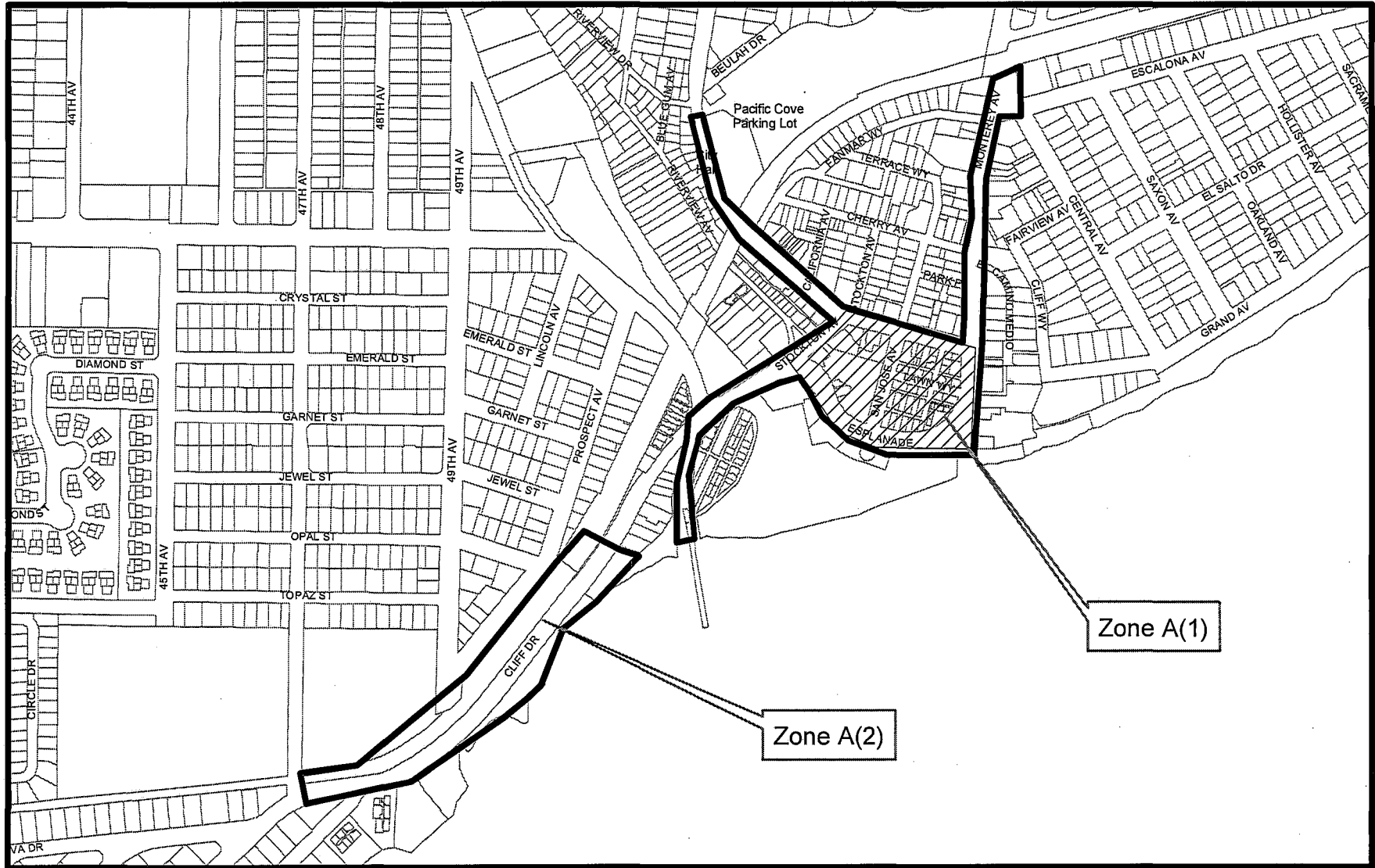
APPROVED:

Stephanie Harlan, Mayor

ATTEST:

Susan Sneddon, City Clerk

City of Capitola Parking Meter Zones A(1) and A(2)

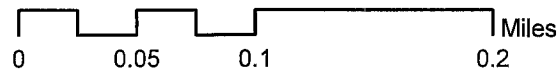
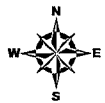
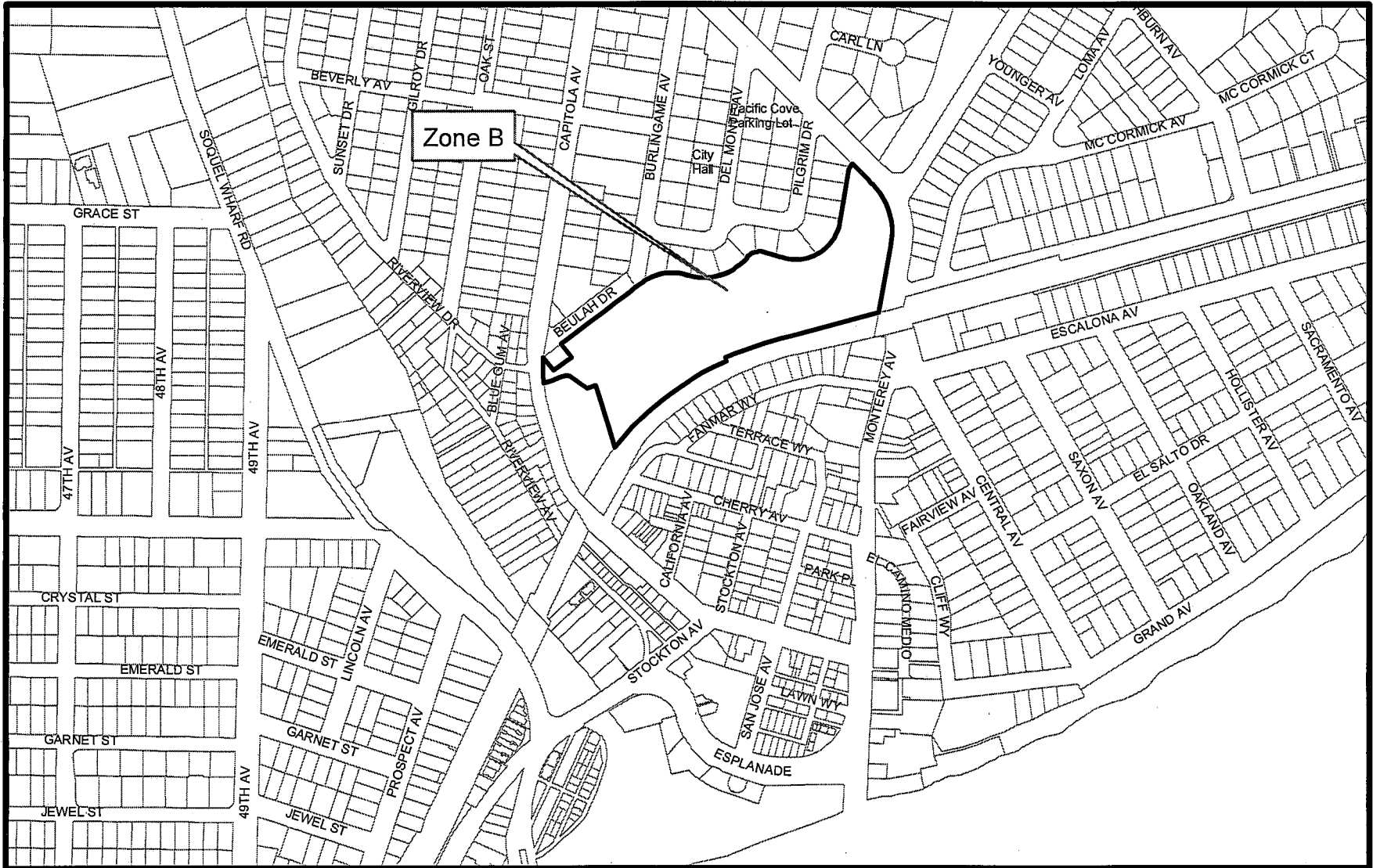


June 2013

EXHIBIT A

Item #: 9.D. Attach 1.pdf

City of Capitola Parking Meter Zone B



June 2013