

City of Capitola Agenda

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



REVISED

CAPITOLA CITY COUNCIL REGULAR MEETING

THURSDAY, JULY 9, 2015

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

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

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

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

- 1. ROLL CALL AND PLEDGE OF ALLEGIANCE**
Council Members Stephanie Harlan, Ed Bottorff, Jacques Bertrand, Michael Termini, and Mayor Dennis Norton

- 2. REPORT ON CLOSED SESSION**

- 3. ADDITIONAL MATERIALS**

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

- A. 8.A.
DETAILS:
Public Correspondences.

- B. 8.B.
DETAILS:
Public Correspondences.

CAPITOLA CITY COUNCIL REGULAR MEETING - Thursday, July 9, 2015

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. 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 June 25, 2015, Regular City Council Minutes.
RECOMMENDED ACTION:
Approve Minutes.
- B. Consider approving a contract with Carolyn Flynn for professional services related to Affordable Housing Programs, Community Development Block Grant (CDBG) Program administration, and grant writing.
RECOMMENDED ACTION:
Approve contract.
- C. Consider authorizing the City Manager to renew the agreement with Rogers, Anderson, Malody & Scott LLP to provide financial auditing services for an amount not-to-exceed \$32,150 for Fiscal Year 2014/2015 Audit, and \$35,000 for Fiscal Year 2015/2016 Audit.
RECOMMENDED ACTION:
Approval renewal of the agreement.
- D. Consider approving the Opera at the Beach event on September 20, 2015, at the Capitola Esplanade Bandstand; and authorize the City Manager to issue a special event permit.
RECOMMENDED ACTION:
Approve the event and authorize the City Manager to issue a special event permit.
- E. Consider approving the Capitola Plein Air event on November 7, 2015, and November 8, 2015; and authorize the City Manager to issue a special event permit.
RECOMMENDED ACTION:
Approve the event and authorize the City Manager to issue a special event permit.

CAPITOLA CITY COUNCIL REGULAR MEETING - Thursday, July 9, 2015

8. GENERAL GOVERNMENT / PUBLIC HEARINGS

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

- A. Consider a Resolution ordering the installation of stop signs in both directions of Hollister Avenue at El Salto Drive.
RECOMMENDED ACTION:
Adopt Resolution.
- B. Receive report regarding the public process to evaluate options to develop a new public park, a parking structure, new civic facilities, and a hotel on 420 Capitola Avenue and the Pacific Cove sites.
RECOMMENDED ACTION:
Accept report and provide direction to staff.
- C. Accept an oral report from the Traffic and Parking Commission regarding their makeup, charge, and recommendations regarding the proposed Parking Structure Project.
RECOMMENDED ACTION:
Receive report and provide direction to staff and the Commission.

9. ADJOURNMENT

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

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

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

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

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

CAPITOLA CITY COUNCIL REGULAR MEETING - Thursday, July 9, 2015

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

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: tkcapitola@aol.com
Sent: Tuesday, June 30, 2015 1:31 PM
To: City Council
Cc: tkcapitola@sbcglobal.net
Subject: 7/9/15 Public Hearing Re Stop Signs at Intersection of Hollister and El Salto

Dear Mayor Norton and Members of the Capitola City Council,

Curious, that of all the crossing intersections on Depot Hill leading to the El Salto Resort, only one street has not been controlled with a stop sign in any direction. And it should be.

With vehicles parking to the corners, plus overhanging shrubbery on the SE corner of Hollister, adequate visibility on entering this intersection is restricted. Motorists, especially visitors to the area, believe they have the right of way in all directions, despite the impaired visibility.

Driving through this intersection multiple times a day, we have experienced several near misses, and have learned to be very cautious when crossing this intersection.

It would ease our minds if STOP signs were installed. In keeping with the traffic scheme of every other crossing intersection on Depot Hill, this one needs Stop signs on Hollister Avenue.

Stop signs make for safer driving.

Thanks for attending to this on the residents' behalf.

Kathryn and Tony Gualtieri
100 Hollister Avenue (502 Grand Avenue)
Capitola

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Sneddon, Su (ssneddon@ci.capitola.ca.us)
Sent: Thursday, July 02, 2015 2:41 PM
To: Sneddon, Su (ssneddon@ci.capitola.ca.us)
Subject: Palandrani Public Hearing Re Stop Signs at Intersection of Hollister and El Salto
Importance: High

From: Mara Palandrani [mailto:Mara@sierrautility.net]
Sent: Thursday, July 02, 2015 2:04 PM
To: City Council
Cc: Joe Palandrani; Mara Palandrani
Subject: 7/9/15 Public Hearing Re Stop Signs at Intersection of Hollister and El Salto
Importance: High

Dear Mayor Norton and Members of the Capitola City Council,

My husband and I are happy to hear that the City of Capitola is reviewing the uncontrolled intersection at Hollister Avenue and El Salto Drive in Depot Hill.

We have lived on Hollister Avenue for almost 15 years and have often wondered why Capitola has allowed this dangerous intersection to be uncontrolled for so long. Traffic on El Salto Drive is unaware that traffic on Hollister avenue is also uncontrolled and has the right away for that intersection. The problems at the intersection is further comprised by the addition of cars being parked near the cross streets and "uncontrolled vegetation" (large shrubs/bushes) that block the view and path of traffic. The vegetation requires north bound traffic on Hollister to enter into the middle of the intersection, in the center of the road, to be certain that it is safe to cross.

Based on the speed of the traffic in area, we believe that the stop signs should be on EL Salto Drive to best serve the needs of the neighborhood. This solution would also slow the traffic of the EL Salto Resort, who do not know the character of the neighbor and are just in a hurry to arrive at their destination. We want to make the entire neighborhood safer for pedestrians, bicyclists, walkers and normal traffic. We are especially concerned because there are so many children riding their bikes and playing in that area, including my (4) grandchildren, who may be not be aware that cross traffic is uncontrolled.

The addition of stop signs on El Salto would accomplish the goal of making the streets and neighborhood of Capitola and the Depot Hill neighborhood much safer.

I encourage each of you to please take the time to visit the intersection and you will quickly understand that the safety of this intersection needs to be addressed.

*Mara & Joe Palandrani
105 Hollister Ave
Capitola*

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CITY OF CAPITOLA

July 2, 2015

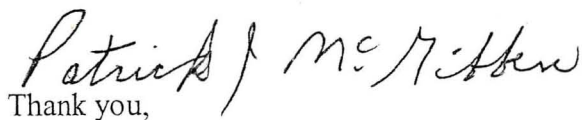
Capitola City Hall
Attn: Mayor Norton
420 Capitola Ave
Capitola, CA 95010

RE: Proposed Stop Sign Installation on Hollister/ El Salto Dr.

Dear Mayor Norton and Members of the Capitola City Council:

I would like to express my concern regarding this notification for a stop sign on Hollister/El Salto Drive on Depot Hill.

I have lived on Hollister Ave. for over 10 years. I agree that there NEEDS to be a stop sign, and glad to see the City is finally addressing the issue. I feel the stop sign should be on the EL Salto corners. It is very hard to see any cars on EL Salto due to cars parked as well as large shrubs. The cars on EL Salto seem to drive very fast coming from or going to the Resort. It's a very unsafe intersection.


Thank you,

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Rebecca Peters [peters.reb@gmail.com]
Sent: Wednesday, July 08, 2015 8:31 PM
To: City Council
Subject: 7/9/15 Public Hearing Re Stop Signs at Intersection of Hollister and El Salto Drive

Dear Mayor Norton and Members of the Capitola City Council:

We are writing regarding the uncontrolled intersection at Hollister Avenue and El Salto Drive in Depot Hill.

We recently purchased 407 El Salto Drive on Depot Hill ((which is 2 houses from the intersection at Hollister Avenue and El Salto Drive). We have 2 boys - age 11 and 8 -who ride their bikes around the Depot Hill neighborhood. Many of the intersections on Depot Hill are controlled by stop signs except the intersection at Hollister and El Salto Drive.

Traffic on Hollister is unaware that traffic on El Salto Drive is also uncontrolled. The problems at the intersection is further comprised by the addition of cars being parked near the cross streets and uncontrolled vegetation that block the view and path of traffic. Motorists, especially visitors to the area, believe they have the right of way in all directions, despite the impaired visibility.

Driving through this intersection multiple times a day, we have experienced several near misses and have learned to be very cautious when crossing this intersection.

In addition, on multiple occasions I have witnessed my kids nearly hit by cars at this intersection while riding their bikes through this intersection. **I fear for the safety of my young children as a result of this uncontrolled intersection.**

It would really ease our minds if STOP signs were installed. I hope it doesn't take a tragedy before you address this uncontrolled intersection.

Thank you very much for your attention to this important matter.

Ko and Rebecca Peters

407 El Salto Drive

Capitola, California

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Denise Ryan [denise@gorfh.com]
Sent: Tuesday, June 30, 2015 4:08 PM
To: City Council
Subject: 7/9 Hearing re Stop Sign on Hollister Ave. and El Salto

Dear Mayor Norton and Members of the Capitola City Council,

Having lived on Hollister Ave. for 27 years I have had many near misses when crossing these streets. Just yesterday I narrowly missed a car zooming by from El Salto Resort. We really need to have a stop sign on these four corners.

With vehicles parking to the corners, plus overhanging shrubbery on the SE corner of Hollister, adequate visibility on entering this intersection is restricted. Motorists, especially visitors to the area, believe they have the right of way in all directions, despite the impaired visibility.

I have noticed a welcome resurgence of young families in our neighborhood. Many little ones on tricycles and bikes. If we had stop signs here, it would give vehicles a reason to stop and look and help to protect the multi-generations of our neighborhood.

It would ease my mind if STOP signs were installed. In keeping with the traffic scheme of every other crossing intersection on Depot Hill, this one needs Stop signs on Hollister Avenue.

Stop signs make for safer driving.

Thank you for your consideration and attention to this matter.

Denise Ryan
106 Hollister Ave.
Capitola, CA 95010



DENISE RYAN
CEO | Chief Executive Officer
RYAN+FOREST.HAYES
denise@goRFH.com
gorfh.com
831.345.0279

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JUL 07 2015

CITY OF CAPITOLA

July 2, 2015

Capitola City Hall
Attn: Mayor Norton
420 Capitola Ave
Capitola, CA 95010

RE: Proposed Stop Sign Installation on Hollister/ El Salto Dr.

Dear Mayor Norton and Members of the Capitola City Council:

I would like to express my concern regarding this notification for a stop sign on Hollister/El Salto Drive on Depot Hill.

I have lived off and on Hollister Ave. for over 68 years. I have seen many changes and growth take place. Traffic and parking as become an issue, especially in the summer tourist months. I agree that there NEEDS to be a stop sign. I feel the stop sign should be on the EL Salto corners. I have lived here long enough to be very cautious when driving thru the intersection of Hollister & EL Salto. It is very hard to see any cars on EL Salto due to cars parked as well as large shrubs. I am almost half way thru the intersection before I can see any oncoming cars on EL Salto. I feel very unsafe driving thru this intersection. The cars on EL Salto seem to drive very fast coming from the Monarch Cove Resort – they think they own the street. I know they do not realize that Hollister Ave. does not have a stop sign as well.

In the years I have been here – many of my friends coming to visit have had “near misses” at that intersection. It is unsafe for anyone that does not live up here and are familiar with the street.

Please install the stop signs on the corner of EL Salto for safety.

Thank you,



Karen Ruland
103 Hollister Ave
Capitola

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Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Niels [nkisling@pacbell.net]
Sent: Wednesday, July 08, 2015 11:44 AM
To: City Council
Cc: alcarlton@aol.com
Subject: Bad taste left in mouth by land use consultant
Attachments: Just Say No to Supersizing Capitola.docx

Dear Council-

At the meeting last week at the PAC it was asked, "Where will the water for a hotel come from?"

The consultant you hired replied, "Well we already have water credits from closing Pacific Cove. They will probably cover half of the offset."

I had to pay for and install 18 low-flow toilets in private homes around Capitola and I was never offered water credits belonging to the City of Capitola when I built my house.

Since when can the City of Capitola give away its water credits to a private developer???? That guy, and anyone who agrees with him, needs to be fired.

Niels Kisling

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Steve Ramm [smramm@yahoo.com]
Sent: Wednesday, July 08, 2015 1:59 PM
To: City Council
Subject: Proposed Capitola Hotels.....

Dear Council Members,

I don't believe I have heard any mention of the 70+ room hotel that is being processed by Barry Swenson on the old Capitola Theater and ocean front property which they own.....?

Steve Ramm
408-482-6010

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Michael routh [qwakwak@icloud.com]
Sent: Wednesday, July 08, 2015 12:20 PM
To: Goldstein, Jamie (jgoldstein@ci.capitola.ca.us)
Cc: City Council; Westman, Nels (nels@bestwestman.com); Ortiz, Gayle (gayle@gocapitola.com)
Subject: Ad hoc comm

Hi Jamie,

Looks like the ad hoc comm, planning comm, and council has been decimated from voting on the hotel project. Its unfortunate the city future is left in the hands of just 3 people. All the more reason to change the staff recommendation to drop the plan and look at alternatives.

Im afraid if this project is allowed to continue you wont be able to convince the community to support even a 2 story garage. All the community goodwill built up over the years will be wiped out.

Thanks.

Mick

Sent from my iPhone

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Stephanie Tetter [stephanie.tetter@gmail.com]
Sent: Thursday, July 09, 2015 11:15 AM
To: City Council
Subject: Fwd: City Hall/Hotel Proposal

Dear Council members:

I attended the meeting at New Brighton Middle School, and I appreciate the opportunity for review and discussion of the multiple aspects of the proposal related to City Hall/proposed hotel etc. There definitely needs to be a comprehensive process for interested Capitolars to have an opportunity to provide input on the many potential projects under discussion (this one, multiple skate parks, library, etc).

I am opposed to building a hotel on the existing City Hall property, and don't see the point of building a 2- or 3- level parking facility. There would apparently only be a net increase of around 100 parking spaces, which would be allocated for the hotel. Parking in Capitola Village is at capacity, and the City needs to find better ways to accommodate our visitors and utilize existing resources.

In general, I think city services might be successfully relocated out of the village, perhaps in some of the vacant space on 41st (rather than have the mall continue to deteriorate and possibly become a "ghost mall"). Because City Hall should not require a good deal of space, it might easily remain upstairs in the current location since the city owns that property.

The City needs infrastructure repairs, particularly road resurfacing and sewer repairs/upgrades. I live off Monterey Avenue, which is extremely worn, including the paint/crosswalk signs. Neighbors at our annual 4th of July gathering agreed it is becoming somewhat embarrassing to have visitors drive down Monterey to our street. Sadly, it is beginning to look like a run down neighborhood, clearly made worse by the drought, but mainly due to the condition of the infrastructure for which the City has responsibility. I think the City Council should stop attempting to turn Capitola Village into something it is not, and focus on improving the existing city, making it the best possible.

I understand resources are limited and there are competing priorities, and clearly not everything can be done at once. It is not clear that a small hotel will provide enough revenue to offset the project expenses, and it will have a negative effect on our current traffic and other infrastructure.

In summary, I view the City Hall/Hotel project as a huge waste of money (that is needed for other things) and something that is inappropriate for the character of the Village.

Thank you for your efforts, but please direct them at improving and maintaining what we have, rather than trying to change Capitola into something else entirely.

Sincerely,

Stephanie Tetter
222 Junipero Court
Capitola, CA 95010

PS The confusion I heard from various people at the meeting when I inquired about the future of the museum reflects the lack of a cohesive plan for this project.

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Terry Tetter [raoulrt@gmail.com]
Sent: Wednesday, July 08, 2015 8:15 PM
To: City Council
Subject: HOTEL BOONDOGGLE

Dear Mayor Norton and councilmembers Harlan, Termini, and Bertrand.

My thoughts so perfectly expressed by the former mayors:

- *The negative impacts far outweigh any positive benefits for Capitola residents.
- *The small town charm and quaint character of our Village will be forever changed.
- *Future budget cuts to police, street and beach maintenance, wharf repairs, and city services will likely be necessary.
- *Neighborhoods around Bay, Monterey, and Capitola Avenues will be severely impacted.
- *More traffic, more people crowding the village and beach.

Please kill this proposal at once and spend the money on making Capitola driveable by fixing the numerous potholes that are wearing out our cars' suspensions and our frazzled nerves.

Thanks,

Terry Tetter

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Terry Tetter
raoulrt@gmail.com



CITY COUNCIL AGENDA REPORT

MEETING OF JULY 9, 2015

FROM: OFFICE OF THE CITY CLERK

SUBJECT: JUNE 25, 2015, REGULAR CITY COUNCIL MINUTES


RECOMMENDED ACTION: Approve the subject minutes as submitted.

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

ATTACHMENTS:

1. Draft June 25, 2015, Regular City Council Minutes.

Report Prepared By: Susan Sneddon, CMC
City Clerk

Reviewed and Forwarded
By City Manager: 

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**CAPITOLA CITY COUNCIL
REGULAR MEETING ACTION MINUTES
THURSDAY, JUNE 25, 2015**

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

CALL TO ORDER

Mayor Norton called the meeting to order at 6:00 p.m. and announced the items to be discussed in Closed Session, as follows:

PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Govt. Code §54957)

City Council's Performance Evaluation of the City Manager.

LIABILITY CLAIMS (Govt. Code §54956.95)

Claimants: Aspromonte Hotels, LLC
Agency claimed against: City of Capitola

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

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

Mayor Norton noted that there was no one in the audience; therefore, the City Council recessed at 6:02 PM 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 Stephanie Harlan, Ed Bottorff, Jacques Bertrand, Michael Termini, and Mayor Dennis Norton

City Treasurer McBroom was present.

2. PRESENTATIONS

A. Proclamation honoring Amateur Radio Week - June 21 thru June 27, 2015.

Proclamation received by Suellene Peterson, Public Information Coordinator for AARL Pacific Division (Santa Clara Section); and Robert Richey, District Emergency Coordinator for Santa Cruz County.

B. Proclamation honoring Mickey Ording for being inducted into the Rugby Hall of Fame.

Proclamation received by Mickey Ording.

3. REPORT ON CLOSED SESSION

City Attorney Condotti stated that the City Council provided a performance evaluation for the City Manager. City Council received a status report regarding a liability claim from Aspromonte Hotels, LLC, and existing litigation regarding Schroedel et al. v. the City of Capitola. There was no reportable action on any of the items discussed in closed session.

CAPITOLA CITY COUNCIL MEETING ACTION MINUTES - June 25, 2015

4. **ADDITIONAL MATERIALS**

City Clerk Sneddon stated that additional material was received regarding Item 8.F. related to the Public Works Inspection Services Contract.

5. **ADDITIONS AND DELETIONS TO AGENDA**

None provided.

6. **PUBLIC COMMENTS**

Carol Lerno, former Pacific Cove Mobile Home Park resident, commented that her brother is still waiting for resolution on a settlement for his mobile home as a result of the Pacific Cove Mobile Home Park flooding and closure.

Deryn Harris, local resident, stated that on behalf of Friends of Monterey Park they are opposed to the proposed skate park at Monterey Park.

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

City Treasurer McBroom requested that an item be agendized for the next City Council meeting regarding a cost estimate for the proposed parking structure.

Council Member Termini complimented the members on the Mayor Select Committee for bringing forward a public process to receive input regarding the Pacific Cove/City Hall/Parking Structure proposal. He stated that the City's Traffic and Parking Committee (Committee) reported to the City Council a few months ago that the proposed parking structure should be the primary goal to reduce parking in the Village; and now some of the Committee members provided comments at the June 23, 2015, Pacific Cove/City Hall/Parking Structure Community Workshop that the parking structure is the last thing the City should do. He stated that the City needs to come to some clarity regarding the proposed parking structure.

Mayor Norton requested that the City's Traffic and Parking Committee provide a report to the City Council at the July 9, 2015, City Council meeting.

Council Member Bottorff stated that the Santa Cruz County Regional Transportation Commission has release the Draft Passenger Rail Feasibility Study for public review, and is available online, as well as a hard copy available at City Hall.

Council Member Harlan stated that the Art and Music at the Beach is scheduled for Sunday, June 28th from 11 a.m. to 5 p.m.

Mayor Norton stated that the Santa Cruz County Regional Transportation Commission has provided a web based program for the public to access traffic information and more (<http://cruz511.org/>)

8. **CONSENT CALENDAR**

- A. Consider approving the June 3, 2015, City Council Budget Study Session Minutes; and the June 11, 2015, Regular City Council Minutes.
- B. Approval of City Check Register Reports dated May 22, 2015; May 29, 2015; June 5, 2015; and June 12, 2015. [300-10]
- C. Adopt Ordinance No. 1002 amending Title 15 of the Municipal Code by adding Chapter 15.10 to provide an expedited, streamlined permitting process for residential rooftop solar systems [Second Reading]. [750-10]

CAPITOLA CITY COUNCIL MINUTES – Thursday, June 25, 2015

- D. Consider approval of the plans, specifications, and estimate for the Rispin/Peery Park ADA Pathway Project; authorize the Public Works Department to advertise for construction bids. [275-20/1040-20]
- E. Adopt **Resolution No. 4025** approving the amended classification plan and job descriptions for the Field Supervisor, Police Records Technician, Recreation Coordinator and Account Technician; and approve the amended Association of Capitola Employees Memorandum of Understanding (MOU) and Mid-Management Employees MOU to reflect changes effective July 5, 2015. [600-10]
- F. Consider approving a Public Works Inspection Services Contract. [500-10 A/C: Morrison, Ed].

ACTION Motion made by Council Member Harlan, seconded by Council Member Bottorff, to approve the following Consent Calendar Items **8.A., 8.B., 8.C., 8.D., 8.E., and 8.F.** The motion was passed unanimously.

9. GENERAL GOVERNMENT / PUBLIC HEARINGS

City Manager Goldstein stated that **Item 9.A.** and **Item 9. B.** will be discussed simultaneously.

- A. Consider a Resolution for the Levy of Capitola Village and Wharf Business Improvement Area (CVWBIA) Assessments for Fiscal Year 2015/2016. [140-05]
- B. Consider an Ordinance amending Chapter 5.10 of the Municipal Code pertaining to the Capitola Village and Wharf Business Improvement Area [Second Reading]. [140-05]

Gary Wetsel, Capitola Village and Wharf Business Improvement Area Advisory Committee (CVWBIA) President, stated that he is available for questions or comments.

ACTION Motion made by Council Member Termini, seconded by Council Member Bertrand, to adopt **Resolution No. 4026** for the Levy of Capitola Village and Wharf Business Improvement Area (CVWBIA) Assessments for Fiscal Year 2015/2016. The motion carried with the following roll call vote: AYES: Council Members Harlan, Bottorff, Termini, Harlan, and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None.

ACTION Motion made by Council Member Termini, seconded by Council Member Bertrand, to adopt **Ordinance No. 1003** amending Chapter 5.10 of the Municipal Code pertaining to the Capitola Village and Wharf Business Improvement Area. The motion was passed unanimously.

- C. Update from PG&E regarding May 12th outage and pending Capitola projects. [565-30]
- Joe Foster, PG&E Regional Government Relations Representative, provided an update on PG&E projects in the City. He also reported on PG&E's response to the May 12th outage in the Capitola Knolls which was due to a high voltage line crossing a lower voltage line resulting in a power surge. The power surge damaged several smart meters and PG&E is processing claims for damages caused by the outage.

CAPITOLA CITY COUNCIL MEETING ACTION MINUTES - June 25, 2015

- D. Receive presentation regarding Chapter 12.12 of the Capitola Municipal Code regarding Community Tree and Forest Management. [1030-60]

City Attorney Condotti stated that there are two concepts the City may consider when a tree is removed from a particular property: (1) establish a time limit for replanting a tree to allow for a development project; and (2) if a tree is removed a replacement tree must be replanted in the same location. He will report back to the City Council regarding this matter.

ACTION Motion made by Council Member Termini, seconded by Council Member Bottorff, to accept staff recommendation; and in the future amend the City's municipal code based on pending research by the City Attorney regarding deed restrictions on properties and consider expanding exemptions for certain non-native trees, such as eucalyptus and acacia trees. The motion was passed unanimously.

- E. Designation of Voting Delegate for the League of California Cities Annual Conference in San Jose, California, from September 30 to October 2, 2015. [150-50]

ACTION There was Council consensus to designate Council Member Bertrand as the Voting Delegate for the League of California Cities Annual Conference in San Jose, California, from September 30 to October 2, 2015; and to designate Council Member Harlan as the Alternate Voting Delegate.

10. ADJOURNMENT

Dennis Norton, Mayor

ATTEST:

_____, CMC
Susan Sneddon, City Clerk



CITY COUNCIL AGENDA REPORT

MEETING OF JULY 9, 2015

FROM: COMMUNITY DEVELOPMENT DEPARTMENT

SUBJECT: APPROVE CONTRACT WITH CAROLYN FLYNN FOR PROFESSIONAL SERVICES RELATED TO AFFORDABLE HOUSING PROGRAMS, COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM ADMINISTRATION, AND GRANT WRITING

RECOMMENDED ACTION: Approve the proposed sole source contract with Carolyn Flynn for an amount not to exceed \$44,300 for Fiscal Year 2015/2016 for assistance with affordable housing programs, CDBG program administration, grant writing, and grant management.

BACKGROUND: Carolyn Flynn has provided consulting assistance with the City's Community Development Department for eighteen years. Her services have covered a wide range of grant administration activities, as well as professional planning in affordable housing and economic development. She has managed the City's CDBG Program since 1997. Her grant work includes writing grant applications, grant administration, and CDBG Program income tracking and oversight. She has managed seventeen grants for the City over the years.

Since January 2013, Ms. Flynn has provided professional management of the City's Affordable Housing Program. This includes handling the re-sale and monitoring of deed-restricted affordable units, oversight of active affordable housing loans, and oversight of Regulatory Agreements with the owners of deed-restricted affordable housing projects and mobile home parks in the City.

In 2014, Ms. Flynn wrote grants worth almost \$900,000 for the City. She wrote a state grant for \$383,000 to fund the improvements at Rispin Park, and managed a successful grant application for \$500,000 in CDBG funds for a citywide Rehabilitation and Mortgage Assistance Program. She has also provided grant set-up for the new housing CDBG grant, and is coordinating program forms and activities with the Housing Authority, which will implement the program on behalf of the City.

DISCUSSION: The contract with Ms. Flynn is for professional services for Fiscal Year 2015/2016 in an amount not to exceed \$44,300. The contract is a standard form City contract for professional services, as approved by the City Attorney. Services to be performed under this contract include:

- Administration of the City's Affordable Housing Programs;
- Administration of the Housing Successor's Programs;
- Overall CDBG Program Administration;
- Professional services for housing, flood, FEMA, economic development and disaster related grants, as needed.

Item #: 7.B. Staff Report.pdf

AGENDA STAFF REPORT JULY 9, 2015
CAROLYN FLYNN CONTRACT FISCAL YEAR 2015/16

For Fiscal Year 2015/2016, Ms. Flynn will be responsible for coordinating the Inclusionary Housing Ordinance sales, tracking the City's existing affordable housing loan portfolio; monitoring regulatory agreements; and working with the Community Development Director on future Affordable Housing Programs for the City. Ms. Flynn will also handle affordable housing issues related to the prior Redevelopment Agency (RDA), on behalf of the Housing Successor. In addition, Ms. Flynn will be responsible for oversight of the City's CDBG Program, including the current Housing Rehabilitation/Homebuyer grant, CDBG program income and grant writing for future grant applications.

Ms. Flynn's knowledge of the City's Affordable Housing, the CDBG program, and with existing and new grants, as well as her unique knowledge of the City's Affordable Housing Program and Community Development Department, provides her with the required experience that no other consultant can provide without first spending a significant amount of time to learn the City's financial processes, existing CDBG grant agreements, federal reporting requirements, and community and economic development projects.


FISCAL IMPACT: The funding for this contract is available from the Housing Trust Fund, General Fund, the Housing Successor Agency, and the CDBG grant and is included in the adopted 2015-16 budget.

Task	Project/Fund	Proposed FY 15/16	Fund
1.	Affordable Housing Program Management/CDD Professional Assistance	\$ 15,000	1000
2.	Affordable Housing – City Housing Trust Fund	\$ 15,000	5552
3.	Affordable Housing – Housing Successor Fund	\$ 5,000	1372
4.	CDBG Program Grant Administration & Management	\$ 9,300	1350
TOTAL		\$ 44,300	

ATTACHMENT

1. Sole Source Purchases Determination

Report Prepared By: Richard Grunow
Community Development Director

Reviewed and Forwarded
By City Manager: 

**Sole Source Purchase Determination
Carolyn Flynn – July 9, 2015**

BACKGROUND: The City of Capitola Purchasing and Procurement policy (Administrative Policy III-4) requires three telephone quotes, whenever feasible for purchases between \$5,000 - \$25,000. The Policy also requires a formal RFP bid procedure for purchases over \$25,000. The policy provides conditions for Sole Source (Section II) purchases that are exempt from the competitive process.

DISCUSSION: The contract with **Carolyn Flynn**, in the amount of **\$44,300**, dated **July 9, 2015** is a qualified sole source purchase within the City Administrative Policy III-4 Section II (**check one of the following**)

Materials, Supplies & Equipment:

_____ (a) Definition. Sole source purchases are used where no secondary source is reasonably available precluding the use of a competitive process.

Consultant or General Services:

 X (a.) In the case where a consulting firm has satisfactorily performed the previous stage of a project (e.g. a pre-design), or has acquired extensive background and working knowledge, the firm may be selected for follow- up work without solicitations from other firm upon written justification and recommendation of the department head and approval by the City Manager or designee.

_____ (b.) If a firm is a highly recognized authority in a field or specialty, or has unique specific knowledge regarding the project, then the firm may be selected without other solicitations for contracts and upon written justification and recommendation of the department head and approval by the City Manager or designee.

_____ (c.) Upon those infrequent occasions when confidence in the consultant and quality of service are important.

Ms. Flynn's knowledge of the City's Affordable Housing, CDBG program, and with existing and new grants, as well as her unique knowledge of the City's Community Development Department, provides her with the required experience that no other consultant can provide without first spending a significant amount of time to learn the City's financial processes, existing CDBG grant agreements, federal reporting requirements and community and economic development projects.

 Department Head

Date

 City Manager

Date

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CITY COUNCIL AGENDA REPORT

MEETING OF JULY 9, 2015

FROM: FINANCE DEPARTMENT

SUBJECT: PROFESSIONAL SERVICES CONTRACT RENEWAL WITH ROGERS, ANDERSON, MALODY & SCOTT, LLP TO PROVIDE FINANCIAL AUDITING SERVICES

RECOMMENDED ACTION: Authorize the City Manager to renew the agreement with Rogers, Anderson, Malody & Scott LLP to provide financial auditing services for an amount not-to-exceed \$32,150 for Fiscal Year 2014/2015 Audit and \$35,000 for Fiscal Year 2015/2016 Audit.

BACKGROUND: The City of Capitola entered into a contract with Rogers, Anderson, Malody & Scott, LLP (Firm) to provide annual financial audits in June 2011. The terms of the contract were for three years with an optional two year renewal. The Firm has provided the City with excellent services during the initial three year term and the Finance Department wished to extend the contract for the remaining two year optional term on the existing contract.

DISCUSSION: The continuity of the contract with the Firm is a benefit to the City. The Firm has been working with the Finance Department already this year on the implementation of Governmental Accounting Standards Board Statement No. 68 (GASB 68), which requires the City's Unfunded Actuarial Liability for retirement be presented on our financial statements.

The Firm has provided the City with a letter describing the services to be provided to the City for Fiscal Year 2014/2015. The Finance Department reviewed the description of services and agrees with the scope of services to be provided.

FISCAL IMPACT: The proposed renewal is in the amount not to exceed \$33,150 for Fiscal Year 2014/2015 Audit and \$35,000 for Fiscal Year 2015/2016 Audit. The Budget includes the necessary funds for the Auditing Services.

ATTACHMENTS:

1. Rogers, Anderson, Malody & Scott, LLP Understanding of Services dates May 5, 2015.

Report Prepared By: Mark Welch
Finance Director

Reviewed and Forwarded
By City Manager:

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

RECEIVED

MAY 26 2015

CITY OF CAPITOLA

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May 5, 2015

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Phillip H. Waller, CPA (Partner Emeritus)

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Nathan Statham, CPA, MBA
Brigitta Bartha, CPA
Gardenya Duran, CPA
Juan Romero, CPA
Ivan Gonzales, CPA, MSA
Brianna Pascoe, CPA

To the Honorable City Council
City of Capitola
Capitola, California

We are engaged to audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Capitola (the City) for the year ended June 30, 2015. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibilities under U.S. Generally Accepted Auditing Standards, Government Auditing Standards, and OMB Circular A-133

As stated in our engagement letter dated May 5, 2015, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we will consider the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, if applicable.

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

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*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
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Also in accordance with OMB Circular A-133, we will examine, on a test basis, evidence about the City's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the City's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the City's compliance with those requirements.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to Management's Discussion and Analysis, budgetary comparison schedules, and schedule of funding progress which supplement(s) the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on non-major combining statements, which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have not been engaged to report on the introductory section or the statistical section, which accompany the financial statements but are not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditor's report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information will not be audited and we will not express an opinion or provide any assurance on it.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

The Honorable City Council
City of Capitola

May 5, 2015
Page 3

We expect to begin our audit on approximately July 23, 2015 and issue our report on approximately December 31, 2015. Terry P. Shea, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

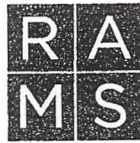
This information is intended solely for the use of City Council and Management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

ROGERS, ANDERSON, MALODY & SCOTT, LLP



Terry P. Shea, CPA



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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May 5, 2015

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Ivan Gonzales, CPA, MSA
Brianna Pascoe, CPA

To the Honorable City Council
City of Capitola
420 Capitola Avenue
Capitola, California 95010

We are pleased to confirm our understanding of the services we are to provide the City of Capitola (the City) for the year ended June 30, 2015. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the City as of and for the year ended June 30, 2015. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Schedule of proportionate share of the net pension liability.
- 3) Schedule of contributions.
- 4) OPEB schedule of funding progress.
- 5) Major fund budgetary comparison schedules.

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California Society of
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Honorable City Council
City of Capitola

May 5, 2015
Page 2

We have also been engaged to report on supplementary information other than RSI that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole:

- 1) Schedule of expenditures of federal awards, if applicable.
- 2) Combining fund schedules.
- 3) Budgetary comparison schedules.

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

- 1) Statistical data.
- 2) Introductory section.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, if applicable.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The OMB Circular A-133 report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of accounting records, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the City Council of the City. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance.

If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls

and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of these procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the City in conformity with U.S. generally accepted accounting principles and OMB Circular A-133 based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

Management Responsibilities

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan, if applicable.

You are responsible for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with OMB Circular A-133. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have

reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Rogers, Anderson, Malody, & Scott, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to any regulator or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Rogers, Anderson, Malody, & Scott, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by any regulator. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately July 23, 2015. Terry P. Shea, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be detailed in Attachment B. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. If we elect to terminate our services for nonpayment, our engagement will

Honorable City Council
City of Capitola

May 5, 2015
Page 7

be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the City and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed original and return it to us. Keep the copy for your records.

We are required to provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2011 peer review report accompanies this letter.

Very truly yours,

ROGERS, ANDERSON, MALODY & SCOTT, LLP



Terry P. Shea, CPA

RESPONSE:

This letter correctly sets forth the understanding of the City of Capitola.

By: _____

Title: _____

Date: _____

COPY

Attachment B

CITY OF CAPITOLA
 SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
 FOR THE AUDIT OF THE JUNE 30, 2015 FINANCIAL STATEMENTS

<i>Base Services</i>	<u>Total</u>
City Audit & Related Reports	\$ 17,000
Successor Agency Audit	6,200
Preperation of CAFR	3,700
Single Audit & Related Reports (if applicable)	<u>2,750</u>
Sub-total Base Costs	<u>29,650</u>
 <i>Optional Services:</i>	
State Controller's Report - Cities Financial Transactions Report	2,500
Sub-total Optional Costs	<u>2,500</u>
Annual Maximum Fees	<u><u>\$ 32,150</u></u>



FOUNDERS
Lawrence S. Timpson, CPA (1991-1974)
LeVonne W. Garcia, CPA (1994-1983)

PARTNERS
Dennis S. Kaneshiro, CPA
Haine Lee Kawasaki, CPA
William E. May, CPA

FIRM ADMINISTRATOR
Liz Davis

System Review Report

May 31, 2012

To the Owners of
Rogers, Anderson, Malody & Scott, LLP
and the Peer Review Committee of the
California Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of **Rogers, Anderson, Malody & Scott, LLP** (the firm) in effect for the year ended November 30, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a *System Review* are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of **Rogers, Anderson, Malody & Scott, LLP** in effect for the year ended November 30, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. **Rogers, Anderson, Malody & Scott, LLP** has received a peer review rating of *pass*.

Timpson Garcia, LLP



CITY COUNCIL AGENDA REPORT

MEETING OF JULY 9, 2015

FROM: CITY MANAGER'S DEPARTMENT
 SUBJECT: APPROVE AN OPERA AT THE BEACH EVENT AT THE CAPITOLA
 ESPLANADE BANDSTAND

RECOMMENDED ACTION: (1) Approve the Opera at the Beach event on September 20, 2015, at the Capitola Esplanade Bandstand; and (2) Authorize the City Manager to issue a special event permit.

BACKGROUND: The Capitola Arts and Cultural Commission (Commission) is proposing, the City partner with The Bay Shore Lyric Opera Company in bringing an outdoor opera event to Capitola.

The Commission believes an opera production at the Capitola Esplanade Bandstand would be a unique experience for residents and visitors to Capitola. In addition, Community Television is planning to record the event to re-broadcast on Public Access Cruz TV, throughout the County of Santa Cruz.

DISCUSSION: Since 1998, The Bay Shore Lyric Opera Company has produced over 40 operas throughout the San Francisco Bay Area, including at the old Capitola Theater. The opera will take place on September 20, 2015, from 2:00 p.m. to 4:00 p.m. and will require amplified sound for the performers and music. The opera will be using the same sound engineer who produces the Capitola Twilight Concerts.

The event will require setup beginning at 12:00 p.m. on September 20, 2015. There will be no road closures required for the opera.

The City will work with The Bay Shore Lyric Opera Company on an implementation plan and special event permit.

FISCAL IMPACT: The costs associated with the production of the event will be paid for through an anonymous donation to the The Bay Shore Lyric Opera Company.

ATTACHMENT: None.

Report Prepared By: Larry Laurent
 Assistant to the City Manager

Reviewed and Forwarded
 by City Manager:

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CITY COUNCIL AGENDA REPORT

MEETING OF JULY 9, 2015

FROM: CITY MANAGER'S DEPARTMENT

SUBJECT: APPROVE A PLEIN AIR ART EVENT ALONG THE BEACH IN CAPITOLA

RECOMMENDED ACTION: (1) Approve the Capitola Plein Air event on November 7, 2015, and November 8, 2015; and (2) authorize the City Manager to issue a special event permit.

BACKGROUND: The Capitola Arts and Cultural Commission (Commission) has proposed a plein air art event along the beach in Capitola. Plein air is art created outside, in the "open air". Artists will place their easels along the beach and shore of Capitola to create landscapes and other paintings during the event.

The planned event will take place on November 7, 2015, and November 8, 2015, from 8:00 a.m. to 5:00 p.m. on both days. Artists will create their artwork in the open air for all to see. Artists will have the opportunity to display and sell their artwork. At the end of the event there will be judging of the art created during the event.

DISCUSSION: The proposed plein air art event is a new event for the City. Plein air events occur all over the world with an emphasis on beautiful scenery as the subject of the art.

The artists will register and pay a fee to participate in the event. Registered artists will have a canvas identified as the artwork for the event, and the artist will have all day November 7th and the morning of November 8th to create the art for the event. The artists will gather at Esplanade Park on November 8th to have their art judged for awards. Artists will have an opportunity to sell a selected number of pieces of art at this time. Art will be judged by professionals, and awards will be given to the winning pieces. The City will offer to purchase the 1st and 2nd place artwork and display the art in a public facility.

The City will work with the Commission on an implementation plan and special event permit. There will be no road closures required for the plein air event.

FISCAL IMPACT: The City Council approved \$3500.00 in Fiscal Year 2015/2016 for the plein air event. The funds would be used for materials and supplies and to coordinate and promote the event. The winning art work will be purchased by the City and displayed in a public space. Funds from the Capitola Public Art Fund will be used to purchase the winning artwork. There will be a registration fee for participants to help offset the cost of the event.

ATTACHMENT: None

Report Prepared By: Larry Laurent
Assistant to the City Manager

Reviewed and Forwarded
by City Manager:

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CITY COUNCIL AGENDA REPORT

MEETING OF JULY 9, 2015

FROM: DEPARTMENT OF PUBLIC WORKS
SUBJECT: ADOPTION OF A RESOLUTION ORDERING THE INSTALLATION OF STOP SIGNS IN BOTH DIRECTIONS OF HOLLISTER AVENUE AT EL SALTO DRIVE

RECOMMENDED ACTION: Consider a Resolution making warrant findings for the installation of stop signs on Hollister Avenue at El Salto Drive.

BACKGROUND: In 2006 the Council held a public hearing on the installation of stop signs at various intersections throughout the City including the intersection of Hollister Avenue and El Salto Drive. At this hearing, property owners immediately adjacent the intersection requested that no stop signs be installed. Based on this testimony, no action was taken to install stop signs at this intersection.

The intersection of Hollister Avenue and El Salto Drive is the only intersection on Depot Hill that is uncontrolled, meaning there are no stop signs in either direction of travel. All the other intersections on Depot Hill have stop signs in one direction of travel. A map showing the intersection on Depot Hill is included as Attachment 2.

DISCUSSION: The following is guidance on the installation of stop signs from the 2014 Manual of Unified Traffic Control Devices (MUTCD) from the State of California:

Section 2B.06 Stop Sign Applications

The use of STOP signs on the minor-street approaches should be considered if engineering judgment indicates that a stop is always required because of one or more of the following conditions:

- a. *The vehicular traffic volumes on the through street or highway exceed 6,000 vehicles per day;*
- b. *A restricted view exists that requires road users to stop in order to adequately observe conflicting traffic on the through street or highway; and/or*
- c. *Crash records indicate that three or more crashes that are susceptible to correction by the installation of a STOP sign have been reported within a 12-month period, or that five or more such crashes have been reported within a 2-year period. Such crashes include right-angle collisions involving road users on the minor-street approach failing to yield the right-of-way to traffic on the through street or highway.*
Support:


At the intersection of Hollister Avenue and El Salto Drive the sight distance is restricted due to hedges and other landscaping and stop signs are recommended on Hollister Avenue.

FISCAL IMPACT: The cost of installing 2 stop signs and painting a legend is approximately \$500 which can be covered in the Public Works Streets budget.

ATTACHMENTS:

1. Draft Resolution
2. Depot Hill Map

Report Prepared By: Steven Jesberg
Public Works Director

Reviewed and Forwarded
By City Manager: 

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RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA ORDERING THE PLACEMENT OF A STOP SIGN ON HOLLISTER AVENUE AT EL SALTO DRIVE

WHEREAS, The State of California Department of Transportation Manual of Unified Traffic Control Devices establishes policy for the installation of stop signs at intersections where high vehicle volume, restricted sight distances, or accident records indicate a need to control the right of way at intersection; and

WHEREAS, the intersection of Hollister Avenue and El Salto Drive is currently uncontrolled and has restricted sight distances in all directions due to shrubbery and other landscaping.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Capitola that the Public Works Department is hereby ordered to place a stop sign on both directions of Hollister Avenue at El Salto Drive.

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 9th day of July 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

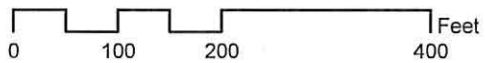
ATTEST:

Dennis Norton, Mayor

Susan Sneddon, CMC

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Depot Hill Intersections



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CITY COUNCIL AGENDA REPORT

MEETING OF JULY 9, 2015

FROM: CITY MANAGER

SUBJECT: RECEIVE REPORT REGARDING THE PUBLIC PROCESS TO EVALUATE OPTIONS TO DEVELOP A NEW PUBLIC PARK, A PARKING STRUCTURE, NEW CIVIC FACILITIES, AND A HOTEL ON 420 CAPITOLA AVE AND THE PACIFIC COVE SITES

RECOMMENDED ACTION: Accept report and provide direction to staff.

BACKGROUND: Following the completion of the General Plan, and the construction of the temporary parking lot in Lower Pacific Cove, this spring the City Council accepted an outreach plan developed by a community subcommittee to begin a public process to consider implementing a number of General Plan goals for the seven-acre City Hall/Pacific Cove site. Those goals included the following:

- Creating a park/open space in Lower Pacific Cove;
- Relocating police and emergency operations out of the flood plain;
- Building a multi-story parking structure to consolidate existing surface parking lots; and
- Limiting impacts on the existing General Fund through the development of a hotel on site to help finance the project.

The subcommittee's outreach plan included a four-step approach intended to make use of available resources to provide reliable public information regarding the City's Pacific Cove/City Hall property and focused on gauging the level of community support for a proposal to achieve the General Plan goals for the property. Specifically the plan called for: (1) a special City newsletter regarding the project; (2) a dedicated website with background material regarding the proposal; (3) a public workshop to provide an overview of the project and give community time to pose questions; and (4) a survey that gauges community interest in the goals.


DISCUSSION: At this time the City has completed the first three steps in the process. This report is intended to update the Council on the process, and accept direction regarding future steps.

The City mailed a special-edition newsletter to all residents in early June, and then held a facilitated community workshop on June 23rd. The workshop was well attended with 100+ residents in attendance. Overall there was strong resistance to the project concept, and limited support for implementing the General Plan goals for the Pacific Cove/City Hall site.

The subcommittee is meeting on July 8th. Staff will be reviewing options for future steps with the subcommittee and provide a recommendation at the July 9th City Council meeting.

FISCAL IMPACT: To be determined.

Report Prepared By: Jamie Goldstein
City Manager

Reviewed and Forwarded
By City Manager 

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CITY COUNCIL AGENDA REPORT

MEETING OF JULY 9, 2015

FROM: DEPARTMENT OF PUBLIC WORKS
SUBJECT: REVIEW OF TRAFFIC AND PARKING COMMISSION

RECOMMENDED ACTION: Accept oral report from the Traffic and Parking Commission (Commission) on their makeup, charge, and recommendations regarding the Parking Structure Project and provide direction to staff and the Commission.

BACKGROUND: The City Council has asked for a report from the Traffic and Parking Commission regarding its makeup and charge and ability to consider Citywide issues. Separately, the Council has asked for an update concerning the Commission's recommendations on the Parking Structure Project. Previously, in 2011 the Commission recommended to the City Council to support parking structure Option 1 in the Watry Report, which is a three-level parking structure with 554 stalls. (Attachment 1).

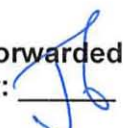
DISCUSSION: The Commission will be reviewing both of these matters at their meeting on July 8, 2015 and providing an oral report for the Council's consideration.

FISCAL IMPACT: None

ATTACHMENTS:

1. February 9, 2011, Traffic and Parking Commission Minutes

Report Prepared By: Steven Jesberg
Public Works Director

Reviewed and Forwarded
By City Manager: 

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February 9, 2011
Traffic and Parking Commission
Meeting Minutes

The meeting began at 6:30 pm

1. Roll Call:

Members present: Ed Bottorff, Linda Hanson, Margaret Kinstler, Anne Nicol, Molly Ording, Peter Roddy

Members absent: Carin Hanna, Vicki Muse, Nels Westman, Gary Wetsel

City Staff Present: Steven Jesberg, Public Works Director

Community Members Present: None

2. Written and Oral Communications: None.

3. Approval of the minutes: The minutes of January 5, 2011 were unanimously approved.

4. Other Business

a. Welcome New Commissioner

New Commissioner Mick Routh, representing the Planning Commission was unable to attend this meeting.

b. Recap and discussion of Parking Structure Planning Report and Traffic Impact Report

Steven Jesberg reported that the presentation to the City Council has been rescheduled to March 24, 2011.

A broad based discussion on the Pacific Cove Parking Structure report by Watry Design, Inc and the related Traffic Impact Study by RBF Consulting was had. Issues concerning getting the community to buy into the need of the project were discussed. The following list of community benefits was created:

- Expansion of Residential Parking Permit Program
- Improved Esplanade Parkway
- Parking for potential Village Hotel project
- Reduction of vehicle congestion in the Village

The Commission then voted on a motion by Linda Hanson to recommend to the City Council to support parking structure option 1 in the Watry report and to not include any premium costs for extra uses of the structure and to include implementation of the parking management system discussed by the traffic consultant. The motion passed by a vote of 5-1. (Ayes: Hanson, Kinstler, Ording, Nicol, and Roddy. Nays: Bottorff)

Following the vote, discussion continued concerning the structure and the needs of the community and that this will be the only structure built and it has to address both

Item #: 8.C. Attach 1.pdf

Traffic and Parking Commission
Minutes of February 9, 2011
Page 2

current and future needs. After a lengthy debate, it was determined that this discussion should be continued to another commission meeting prior to the March 24th City Council presentation. It was moved and unanimously supported to hold a special meeting on March 9, 2011 at 6:30 p.m. for this purpose.

c. Update on Pay Station Project

Steven Jesberg passed out a map showing the area approved by the City Council for pay station installation. Steve indicated that the recommended number of machines in this area is 14 at a cost of approximately \$180,000. The Commission discussed the number of required machines. Steve indicated that he would email out another map that included the locations of the proposed machines.

d. Subcommittee reports

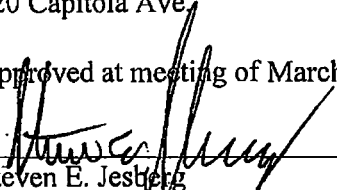
- i. Parking Structure – none
- ii. People Movers – none
- iii. Hotel – none

5. Items for future agendas

- a. Pacific Cove Shuttle Review
- c. Sub-committee reports
- d. Parking Structure Report
- e. Pay Station Implementation

Adjournment. The Commission adjourned to a Special Meeting of the Traffic and Parking Commission to be held on March 9, 2011 at 6:30 PM at, Capitola City Hall City Council Chambers, 420 Capitola Ave.

Approved at meeting of March 9, 2011:



Steven E. Jesberg
Public Works Director