



# **ACTION MINUTES**

## **CAPITOLA CITY COUNCIL**

### **REGULAR MEETING**

Thursday, April 26, 2007

#### **6:00 P.M. - CLOSED SESSION - CITY MANAGER'S OFFICE CAPITOLA REDEVELOPMENT AGENCY & CITY COUNCIL**

Mayor Termini in the City Hall Council Chambers made an announcement regarding the item to be discussed in Closed Session at 6:00 p.m. No one addressed the Council at this time.

#### **CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION**

Significant Exposure to litigation pursuant to Govt. Code Section 54956.9(b): One case

**6:30 P.M. REDEVELOPMENT AGENCY -** *(See Redevelopment Agency Action Minutes)*

#### **7:00 P.M. – CITY COUNCIL REGULAR MEETING**

Mayor Termini called the Regular Meeting of the City Council to order at 7:10 p.m. in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

#### **ROLL CALL AND PLEDGE OF ALLEGIANCE**

**PRESENT:** Council Members Bob Begun, Kirby Nicol, Ron Graves, Sam Storey, and Mayor Michael Termini; City Treasurer Tony Gualtieri

**ABSENT:** None

**STAFF:** City Manager Rich Hill, City Attorney John G. Barisone, Finance Director Lauren Lai, Public Works Director Steve Jesberg, Chief of Police Rick Ehle, Assistant to the City Manager Lisa Murphy, and Deputy City Clerk Pat Evans

#### **1. REPORT ON CLOSED SESSION [520-25]**

City Attorney John Barisone said the council met in closed session from approximately 6 p.m. until 6:10 p.m. to discuss one item of potential litigation. All council members were present, as well as he and the city manager. The council received a brief report from the city attorney on the one item of potential litigation and took no reportable action.

#### **2. ORAL COMMUNICATIONS**

##### **A. Additions and Deletions to Agenda**

Mayor Termini said that he would like to reorder Other Business Item 5.B. prior to Item 5.A. It was the consensus of the council to do so.

##### **B. Public Comments**

1) Nancy Brewer, Surf & Sand Mobile Home Park resident, spoke to the council regarding the Soquel Union Elementary School District's plans for a preschool facility at Jade Street Park. She commented on the school district's public meeting and expressed her concerns about the loss of Community Gardens if the preschool were to be approved. Mayor Termini said the project has the council's undivided attention.

2) Debra Donna passed out a written copy of comments she and Kathy Hees would be communicating to the council regarding their concerns about the school district's plans for Jade Street Park. She urged the council to keep the park open space and a community park. Kathy Hees believes there are better locations for a preschool, such as the former Capitola Elementary School.

**2. ORAL COMMUNICATIONS****C. Staff Comments – None****D. City Council/Treasurer Comments**

1) Council Member Graves responded to the first speaker's comments about the school board meeting, wherein they discussed their plans for Jade Street Park. He said people should email school board trustees about their concerns regarding the project. Council Member Nicol agreed, stating that the city is a tenant on the property, and the school district is the landlord. People need to address the landlord, not the tenant about the property.

2) Council Member Nicol announced there is a vacancy on the METRO Advisory Committee (MAC) and that he is looking for someone from Capitola who is interested in serving on that committee. He said the committee meets on the 3<sup>rd</sup> Wednesday of every month from 6 to 8 p.m. at Santa Cruz Metro Center. Council Member Nicol said interested persons should contact him at 475-5729.

3) Council Member Begun asked how the city could alert the community about the school district's project at Jade Street Park. He asked if the matter could be put on a future council meeting. Council Member Storey said perhaps the council should have a public hearing to hear from the community on this matter. Mayor Termini expressed concern about having a council hearing on the project, but he would support discussion of a Joint Use Agreement. Council Member Begun asked if there could be a joint meeting with the school district. Mayor Termini said he would communicate with the school district and report back to council about a possible joint meeting.

4) Mayor Termini announced and read the Mayor's Proclamation for Municipal Clerks' Week to be held next week, April 29 to May 6, 2007, and thanked Pam Greeninger for her work as Capitola's City Clerk.

5) Mayor Termini announced that the Art & Cultural Commission is looking for volunteers to help with the Twilight Summer Concerts and Movie Nights.

6) City Treasurer Gualtieri announced the publication of the City's proposed budget. He said the Finance Advisory Committee is meeting on Monday, April 30, at 6 p.m. to review this document, and he invited the public to attend. City Treasurer Gualtieri complimented staff on all the work that goes into the proposed budget. Finance Director Lai said the proposed budget would be available for public review at City Hall and the Capitola Branch Library.

**E. Committee Reports/Appointments****1) Appointment to the Capitola Historical Museum Board to fill the Unexpired Term Ending June 2007. [240-40/110-10]**

**ACTION:** Council Member Begun moved, seconded by Council Member Nicol, to accept the recommendation of the Capitola Historical Museum Board and ratify the appointment of Alistair "Bob" Anderson to fill the unexpired term on the Board ending the second Thursday in June 2007. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

2) Council Member Begun reported on several meetings he has attended.

## 2. ORAL COMMUNICATIONS (Continued)

F. **Approval of Check Register Report [300-10]**

**ACTION:** Council Member Storey moved, seconded by Council Member Graves, to approve the Check Register Reports dated April 6, and April 13, 2007, including checks numbered 51409 through 51476 in the amount of \$113,942.33, and checks numbered 51477 through 51533 in the amount of \$68,371.60, respectively, and payroll disbursements for the 04/13/07 payroll in the amount of \$190,214.11, for a Grand Total of \$372,528.04, as submitted. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

3. **CONSENT CALENDAR**

Mayor Termini asked if there were any items members of the council or public wished to pull for separate discussion. Council Member Storey pulled Item 3.K., Council Member Nicol pulled Item 3.E., and Council Member Graves pulled Item 3.H. Council Member Begun had a question on Item 3.J., which Public Works Director Jesberg responded to at this time.

Mayor Termini advised Items 3.E., H. and K. would be discussed at the end of the meeting following Other Business Item 5.G. (*See discussion and action on Page 8.*)

**CONSENT CALENDAR ACTION:** Council Member Nicol moved, seconded by Council Member Graves, to approve the Consent Calendar as recommended. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

A. **Waive Reading of all Ordinances and Resolutions on the Agenda.**

**ACTION:** The City Council unanimously approved the reading by title of all Ordinances and Resolutions and declared that said titles which appear on the public agenda shall be determined to have been read by title and further reading waived.

B. **Approval of Minutes – Regular Meetings of March 22, 2007, and April 12, 2007.**

**ACTION:** Council Member Nicol moved, seconded by Council Member Graves, to approve the Minutes of the Regular Meetings of March 22, 2007, and April 12, 2007. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

C. **Receipt of Planning Commission Action Minutes for the Regular Meeting of April 19, 2007. [740-50]**

**ACTION:** The City Council unanimously received the Planning Commission Action Minutes for the Regular meeting of April 19, 2007, as submitted.

D. **Receipt of City Treasurer's Report for Month Ended March 31, 2007. [380-30]**

**ACTION:** Council Member Nicol moved, seconded by Council Member Graves, to accept the March 2007 Treasurer's Report for the City of Capitola. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

E. **Receipt of Transient Occupancy Revenue Report for March 2007. [390-70]**

*This item was pulled for separate discussion. (See page 8 for discussion and action.)*

F. **Approve Contract with Applied Development Economics for As-Needed Grant Services Relating to the Community Development Block Grant (CDBG) Economic Development Program and other Economic Development Grant Opportunities. [700-10/500-10 A/C: Applied Development Economics]**

## 3. F. CONSENT CALENDAR (Continued)

**ACTION:** Council Member Nicol moved, seconded by Council Member Graves, to approve the contract with Applied Development Economics for as-needed grant services relating to the Community Development Block Grant (CDBG) Economic Development program and other Economic Development grant opportunities. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

**G. Adopt Ordinance Amending Capitola Municipal Code Section 6.14.320 Pertaining to On-Leash Dog Requirements (2<sup>nd</sup> reading). [400-10]**

**ACTION:** Council Member Nicol moved, seconded by Council Member Graves, to adopt **Ordinance No. 915, Ordinance Amending Section 6.14.320 of the Capitola Municipal Code Pertaining to On-Leash Dog Requirements.** The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

**H. Approve Request from the Capitola Public Safety and Community Service Foundation to Utilize the Lawn Area in Esplanade Park behind the Bandstand as a Food and Beverage Service Area and Authorization to Serve Beer and Wine to Select Guests and Sponsors (VIP's) Attending the 2<sup>nd</sup> Annual Capitola Rod & Custom Classic Car Show on June 9 and 10, 2007. [1050-70]**

*This item was pulled for separate discussion. (See page 8 for discussion and action.)*

**I. Museum Cabin Restoration Project: Approve Notice of Completion. [240-30/500-10 A/C: JM Construction]**

**ACTION:** Council Member Nicol moved, seconded by Council Member Graves, to take the recommended action as follows:

1. Accepted the Museum Cabin Restoration Project as complete at the final cost of \$46,690.36 and authorize release of contract retention of \$2,334.52 in 35 days from recordation of the Notice of Completion; and
2. Adopted **Resolution No. 3626, Resolution Amending the 2006-07 Capital Improvement Program Budget and the 2006-07 Operating Budget to Transfer \$4,100 to the Museum Cabin Restoration Project from the Public Works Unanticipated Events Fund and Authorizing an Increase in the Expenditures in the Museum Cabin Project by \$4,100.**

The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

**J. Jade Street Park Equipment Replacement Project: Approve Contract with Ross Recreation Equipment of Aptos for the removal and installation of new playground equipment for 2-5 year olds at Jade Street Park in the amount of \$33,061.12. [1040-20/500-10 A/C: Ross Recreation Equipment of Aptos]**

**ACTION:** Council Member Nicol moved, seconded by Council Member Graves, to approve a contract with Ross Recreation Equipment of Aptos in the amount of \$33,061.12 for the removal and installation of new playground equipment for 2-5 year olds at Jade Street Park. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

## 3. CONSENT CALENDAR (Continued)

- K. Approve Parking Lot License Agreement with Capitola Crossroads, LLC, to allow Operation of the City's Summer Shuttle Bus from property located at 820 Bay Avenue annually from May 1 to September 30. [770-20/500-10 A/C: Capitola Crossroads]**

*This item was pulled for separate discussion. (See page 8 for discussion and action.)*

## 4. PUBLIC HEARINGS

- A. Public Hearing to Receive Community Grant Funding Requests. Presentation: City Manager. [330-30]**

Mayor Termini introduced this item, and City Manager Hill provided a brief summary of the agenda report and the additional material that was provided.

Mayor Termini opened the public hearing at 7:40 p.m.

Will O'Sullivan, representing the Human Care Alliance, discussed the process they would be following on this item. He said that representatives from all the groups were in attendance and that they had a brief PowerPoint Presentation on their services. Mr. O'Sullivan said they are asking the council to fund with a COLA of 2.5% based on CPI. They are also asking for restoration of 2% not funded last year, for a total funding request of 4.5% for 2007/08.

After viewing the PowerPoint Presentation, the Council heard from Kathleen Johnson, Executive Director of Advocacy, Inc., who said that rather than having a representative from each group, there would be three speakers, one for each of the three sectors: seniors, children and families, and health services.

Terry Hancock, Directing Attorney for Senior Citizens Legal Services, spoke on behalf of Seniors' Services.

Rita Flores, Family Service Agency, spoke on behalf of Children and Families Services. She also informed the council that the Family Service Agency is celebrating its 50<sup>th</sup> Anniversary this year.

Beth McKinnon, Cabrillo Stroke Center, spoke on behalf of Health Services groups. She said the service providers could not provide these services without the financial support of the cities and the county.

Beth Love, Executive Director of the Santa Cruz County Child Abuse Prevention Council, discussed the work they are doing and the agency's first request for funding.

Mayor Termini commented that he appreciates all of the groups' services, which make this a better community.

Council Member Storey thanked the participants for their well-organized presentation.

**ACTION:** Mayor Termini and members of the City Council expressed their appreciation for the services the groups provide to make Capitola a better community and thanked the representatives for a well-organized presentation. No action was taken.

The city council took a short break at 8:20 p.m. Mayor Termini called the meeting back to order at 8:26 p.m. He said the Council reordered Item 5.B. for discussion at this time.

**5. OTHER BUSINESS**

- B. Review and Approval of a Work Plan for the Site Analysis for the Development of a Skate Park at Noble Gulch Park. Staff recommendation: authorize staff to proceed with Phase 1 of the work with adoption of the 2007-08 FY Budget. [1040-20]**

Considerable input from members of the public and Council discussion was followed by this action:

**ACTION:** Council Member Storey moved, seconded by Council Member Graves, to abandon the proposed work plan for a skate park at the Nobel Gulch Park site. Mayor Termini also clarified that the city council was not interested in funding the skate park facility. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

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**JOINT MEETING OF THE CAPITOLA  
CITY COUNCIL/REDEVELOPMENT AGENCY**

At 9:25 p.m. Mayor/Chairperson Termini called the Joint Meeting of the Capitola City Council/Redevelopment Agency to order and noted that all Council Members/Directors were present.

- A. Presentation of Mid Year Housing Programs Report for FY2006-07 by Community Development Director. Staff Recommendation: accept report. [760-30]**

**ACTION:** Council Member/Director Graves moved, seconded by Council Member/Director Begun, to accept the Mid Year Housing Programs Report and the program recommendations contained in the report as submitted. The motion carried on the following vote: AYES: Council Members/Directors Begun, Nicol, Graves, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

**End of Joint City Council/Redevelopment Agency Meeting**

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- B. Review and Approval of a Work Plan for the Site Analysis for the Development of a Skate Park at Noble Gulch Park. Staff recommendation: authorize staff to proceed with Phase 1 of the work with adoption of the 2007-08 FY Budget. [1040-20]**

*This item was reordered prior to Item 5.A. (See above for discussion and action.)*

- C. Resolution Granting the Assignment of the Exclusive Refuse, Recycling and Yard Waste Collection Franchise from Waste Management of Santa Cruz to GreenWaste Recovery, Inc., and Authorizing the City Manager to Execute Assignment of Franchise Agreement. Staff recommendation: adopt resolution. [565-25/500-10 A/C: GreenWaste Recovery, Inc.]**

**ACTION:** Council Member Graves moved, seconded by Council Member Storey, to adopt **Resolution No. 3626, Resolution Granting the Assignment of the Exclusive Refuse, Recycling, & Yard Waste Collection Franchise from Waste Management of Santa Cruz to GreenWaste Recovery, Inc., and Authorizing the City Manager to Execute Assignment of Franchise Agreement**, thereby approving the Assignment of Franchise Agreement by and among Waste Management of Santa Cruz County, GreenWaste Recovery, Inc., and the City of Capitola. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

## 5. OTHER BUSINESS (Continued)

- D. Amendment to Contract between the Board of Administration of the California Public Employees' Retirement System and the City Council of the City of Capitola to Provide Section 21354.4 (2.5% @ 55 Full formula) Retirement Benefit effective 12/30/07 for Local Miscellaneous Members. [630-10/500-10 A/C: Public Employees Retirement System]**

**ACTION:** Council Member Nicol moved, seconded by Council Member Mayor Termini, to approve the recommended actions as follows:

- 1) Adopted **Resolution No. 3627, Resolution of Intention to Approve an Amendment to the Contract Between the Board of Administration of the California Public Employees' Retirement system and the City Council of the City of Capitola;** and
- 2) Passed the proposed Ordinance Authorizing Amendment to the PERS Contract to a second reading for final adoption on May 24, 2007.

The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, and Mayor Termini. NOES: Council Member Storey. ABSENT: None. ABSTAIN: None.

- E. Resolution in Support of Senate Bill 900 and Assembly Bill 1542 pertaining to Mobilehome Park Conversions. Staff recommendation: council direction. [730-85/580-40]**

**ACTION:** Council Member Storey moved, seconded by Council Member Graves, to adopt **Resolution No. 3628, Resolution In Support of Senate Bill 900 and Assembly Bill 1542 Pertaining to Mobilehome Park Conversions.** The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

- F. Renewal of the City's Endorsement of Senate Bill 840 (Kuehl); California Universal Healthcare Act (Health Care for All). Staff recommendation: Council discretion. [580-40]**

**ACTION:** Council Member Storey moved, seconded by Council Member Graves, to approve the Renewal of the City's Endorsement of Senate Bill 840 (Kuehl); California Universal Healthcare Act (Health Care for All) and directed staff to send a letter of support to Assemblyman John Laird, Senators Joe Simitian and Abel Maldonado, with a copy to Senator Sheila Kuehl. The motion carried on the following vote: AYES: Council Members Graves, Storey, and Mayor Termini. NOES: Council Members Begun and Nicol. ABSENT: None. ABSTAIN: None.

- G. Consideration of Partnering with Santa Cruz Metro for City Shuttle Program. Staff recommendation: Council direction. [770-20/1170-10]**

**ACTION:** The City Council received information from Public Works Director Jesberg and took no action on this item.

*AT THIS POINT, ITEMS REMOVED FROM CONSENT CALENDAR WILL BE CONSIDERED*

3. CONSENT CALENDAR *(Items pulled for separate discussion.)*

**E. Receipt of Transient Occupancy Revenue Report for March 2007. [390-70]**

Council Member Nicol said it appears the TOT has dropped dramatically. Finance Director Lai advised that the graph showing the 2006-07 figures is a partial year.

Council discussion was followed by this action:

**ACTION:** Council Member Nicol moved, seconded by Council Member Graves, to accept the Transient Occupancy Report for March 2007 as submitted. The motion carried unanimously.

**H. Approve Request from the Capitola Public Safety and Community Service Foundation to Utilize the Lawn Area in Esplanade Park behind the Bandstand as a Food and Beverage Service Area and Authorization to Serve Beer and Wine to Select Guests and Sponsors (VIP's) Attending the 2<sup>nd</sup> Annual Capitola Rod & Custom Classic Car Show on June 9 and 10, 2007. [1050-70]**

Council Member Graves said it was called to his attention that car shows and alcohol don't mix. He commented on consumption of alcohol and driving and hopes staff makes sure no one drives after drinking. Chief of Police Ehle responded to his concerns and assured him staff would be overseeing the VIP area.

**ACTION:** Council Member Graves moved, seconded by Council Member Begun, to approve the request of the Capitola Public Safety & Community Service Foundation to serve beer and wine to select guests and sponsors (VIP's) on the city property located in Esplanade Park lawn area behind the Bandstand during the Capitola Rod and Custom Classic Car Show to be held in Capitola Village on June 9 and 10, 2007. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

**K. Approve Parking Lot License Agreement with Capitola Crossroads, LLC, to allow Operation of the City's Summer Shuttle Bus from property located at 820 Bay Avenue annually from May 1 to September 30. [770-20/500-10 A/C: Capitola Crossroads]**

Council Member Storey asked if this was a sole source contract. Public Works Director Jesberg said this was a multi-year agreement, and this was the fourth year of a five-year agreement.

**ACTION:** Council Member Storey moved, seconded by Council Member Graves, to approve a Parking Lot License Agreement with Capitola Crossroads, LLC, for the use of their parking lot off of Bay Avenue for the City-operated Summer Beach Shuttle. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

6. **ORAL COMMUNICATIONS**

Council Member Graves said he would like staff to research compliance regarding city's conditions for lighting on the spa parking structure.

7. **ADJOURNMENT**

The City Council adjourned at 10:28 p.m. to a Special Joint Budget Study Session of the City Council and Redevelopment Agency to be held on Thursday, May 3, 2007, beginning at 6:00 p.m. in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.