

June 12, 2008  
 Capitola, California

## CAPITOLA CITY COUNCIL

### MINUTES OF A REGULAR MEETING

#### 6:00 P.M. CLOSED SESSION – CITY MANAGER’S OFFICE CAPITOLA REDEVELOPMENT AGENCY & CITY COUNCIL

At 6:06 p.m. in the City Hall Council Chambers, Mayor/Chairperson Nicol noted that all City Council Members/Redevelopment Agency Directors were present, and he made an announcement regarding the items to be discussed in Closed Session, as follows:

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

Save the Habitat vs. City of Capitola (Rispin Mansion Project)  
 Sequel Union Elementary School District vs. City of Capitola  
 Surf & Sand LLC vs. City of Capitola (Surf & Sand Mobile Home Park)  
 Vieira Enterprises vs. City of Capitola (Cabrillo Mobile Estates)

#### CONFERENCE WITH LABOR NEGOTIATORS (Govt. Code §54957.6)

Bargaining Units: Police Captains & Capitola Police Officers Association  
 Negotiator: Rich Hill, City Manager

#### LIABILITY CLAIMS (Govt. Code §54956.95)

Claimant: Kathryn Ann Christopher

Mayor/Chairperson Nicol asked if anyone wished to address items on the Closed Session agenda. Seeing no one, the council/agency recessed at 6:06 p.m. to the closed session.

#### REGULAR MEETING OF THE REDEVELOPMENT AGENCY

*(See Redevelopment Agency Minutes)*

#### REGULAR MEETING OF THE CITY COUNCIL

Mayor Nicol called the Regular Meeting of the City Council to order at 7:38 p.m. in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

#### ROLL CALL AND PLEDGE OF ALLEGIANCE

Mayor Nicol asked for a moment of silence for the city’s Community Development Director, Juliana Rebagliati, whose home is threatened by the fire.

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

**ABSENT:** None

**STAFF:** City Manager Rich Hill, City Attorney John Barisone, Community Development Director Juliana Rebagliati, Finance Director Lauren Lai, Public Works Director Steve Jesberg, Chief of Police Rick Ehle, Assistant to the City Manager Lisa Murphy, and City Clerk Pamela Greeninger

#### \*\*\* PRESENTATIONS \*\*\*

#### Presentation of Certificates of Recognition to New Brighton Middle School Students Seb Crampton, Tommy Linebarger, and Jackson Brady for Recycling Phone Books [120-40]

Mayor Nicol presented a Certificate of Recognition to Tommy Linebarger for being environmentally responsible by recycling 250 old phone books. Mimi Edgar said the other two boys were unable to attend this meeting.

Mayor Nicol announced that certificates were also prepared to recognize Jackson Brady for recycling 141 old phone books and Seb Crampton for recycling 411 old phone books.

**Presentation by Maggie Ivy,  
CEO/Executive Vice President of the  
Santa Cruz County Conference & Visitors Council (CVC) [150-70]**

Stephanie Harlan discussed her appointment to the CVC Board by the Mayor's Select Committee and her pleasure in serving on that board. She commented on an interesting presentation the board received during the past year from the State Office of Tourism on California's International Marketing Program. Ms. Harlan commended the council on increasing its efforts to support the local promotion of Capitola to the CVC and the Capitola-Soquel Chamber of Commerce.

Maggie Ivy, CEO/Executive Vice President of the Santa Cruz County Conference and Visitors Council, brought up the CVC website on the overhead screen to share with the audience and council members. She demonstrated how people could make reservations through Advanced Reservations on their website. Ms. Ivy said there is also information about various community events and the ability to package activities with accommodations. Council Member Storey asked if the number of hits to the website were being tracked. Ms. Ivy said they are just beginning to track and would have figures next year. Council Member Storey also asked how frequently information on the website was being updated? She answered it is updated weekly.

Mayor Nicol thanked Ms. Ivy for her report. Ms. Ivy then thanked the council for its support of this project. She also commended the council on its many summer activities including the free shuttle, the movies at the beach, Twilight Concerts, etc. Council Member Storey said the CVC could add free parking at the Pacific Cove Parking Lot to their list.

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

City Attorney John Barisone reported on the closed session that took place at 6 p.m. in the City Manager's Office. He said all Council Members/Directors were in attendance, as were the city attorney and the city manager. Assistant to the City Manager Murphy was present for the Labor Negotiations item only. Council Member/Director Termini recused himself from the existing litigation matter pertaining to Save the Habitat.

City Attorney John Barisone reported that the Council received a status report on ongoing Save the Habitat litigation and took no reportable action. Council Member/Director Termini was not present for that discussion.

Council Members Termini and Storey provided a status report on the administration of the judgment arising out of litigation between the Soquel Union Elementary School District vs. City of Capitola. There was limited discussion, and no reportable action was taken.

City Attorney Barisone reported that a federal court judge has dismissed the lawsuit filed by Surf & Sand, LLC, vs. City of Capitola, and the time for appeal is currently running. No reportable action was taken.

City Attorney Barisone reported that the Santa Cruz County Superior Court has upheld the service reduction award made by the city council in the Vieira Enterprises vs. City of Capitola matter (Cabrillo Mobile Estates). The award was administered by the city council in May of 2007 and subsequently challenged in court. The court upheld the city council's award in its entirety, and staff will proceed with execution of the judgment in that matter. The Council received the status report and took no reportable action.

The City Council received a brief status report from City Manager Hill on ongoing labor negotiations with the Capitola Police Officers Association and the Police Captains. No reportable action was taken.

City Attorney John Barisone said the Council did not have any substantive discussion in closed session regarding the tort claim of Kathryn Ann Christopher, and no action was taken.

Mayor Nicol thanked the city attorney for his report. He then, on behalf of the people of Capitola and particularly members of the City Council, commended City Attorney John Barisone on the cognitive representation he has given in disposition of these matters.

**2. ORAL COMMUNICATIONS****A. Additions and Deletions to Agenda**

Mayor Nicol noted that additional material was provided to the Council by the City Clerk from Glen Chase on Consent Calendar Item 3.J. pertaining to the proposed light brown apple moth resolution.

**B. Public Comments**

1) Marilyn Garrett commented on the report on tourism by Maggie Ivy. She also commented on and submitted written information regarding radio frequency radiation. She then read an article regarding wireless technology and the dangers of electro-pollution.

2) Anna Marie Gotti, Capitola resident, spoke in support of Jade Street Park. She expressed concern about the school district's proposed preschool and urged the council and the school board to consider keeping Jade Street Park the way it is.

3) Mike Roberto, Soquel Union Elementary School District parent, wished to commend both the council and the school district for their efforts at the special meeting last week. He said it is important to do what is best for the community. He encouraged the council to continue with the idea of a 2-year planning program with the school district and to continue to reach out to them. Mr. Roberto commented that just because there is a legal precedent set that the school district can do what it wants, it does not mean it is the right thing to do or that the public necessarily supports the district's project.

4) Kate Arieta, Capitola resident, commented on the requirements contained in the city's information guide for special event permits pertaining to chemical toilets. She read where the Rod & Custom Car Show brought in about 20,000 visitors; yet there was not one chemical toilet available for the visitors attending the event. She expressed concerns about this and said she hopes it was an oversight. She also commented on the need for additional restroom facilities for Junior Lifeguard events.

5) Frederick Copeland, President of the Cabrillo Mobile Home Park Homeowners' Association, thanked the council for helping the residents through their rent reduction problem with the park owner. He commented that after a year the park owner has not yet rectified the problems. Mr. Copeland also said the homeowners would like to see the council award residents a lump sum payment and not have rent reductions for several months. Mayor Nicol asked the city attorney to respond. City Attorney Barisone said the award that was made by the council was specific as to how it was to be paid; it was to be done through rent reduction. He said the best we can do at this point, given the specificity of the award, is to have rent reductions in the amount of \$68,000 paid as quickly as possible, which he anticipates would be within 3 to 5 months. Mr. Copeland reiterated the residents' lump sum request.

6) Rob Kawamoto commented that he would like council to consider the traffic flows on 42<sup>nd</sup> Avenue. He said the stop sign at Grace and 42<sup>nd</sup> Avenue is being violated on a frequent basis, and he would appreciate police enforcement of that intersection.

**C. Staff Comments**

1) Public Works Director Steve Jesberg wished to update the council with respect to its action taken last night pertaining to free parking at the Pacific Cove Parking Lot. He said there is a clause in the ordinance that provides the city council may, by resolution or minute order, designate days when parking meters will not operate; therefore, no additional action is necessary. He reported that staff is moving forward to implement the free parking at Pacific Cove from June 15 to September 15, 2008, as directed.

2) City Clerk Greeninger announced that next Tuesday evening, June 17, Capitola is hosting a Candidate Information Night at City Hall in the Council Chambers at 6 p.m. She said prospective candidates for city and countywide elective offices are encouraged to attend. City Clerk Greeninger said there would be two council seats and one city treasurer seat up for election on November 4, 2008.

## 2. ORAL COMMUNICATIONS (Continued)

D. City Council/Treasurer Comments/Committee Reports

1) Council Member Termini said all the vouchers for tiles for the Sea Wall Tile Project have been sold. He encouraged those holding vouchers to please paint their tiles so they can be put up on the sea wall.

2) Council Member Begun asked about the reduction in parking meter revenues as a result of action taken by the council last night. Finance Director Lai informed the council that the parking meter revenues are about \$31,000. In addition, there are revenues from parking meter citations, which conservatively amount to \$15,000 to \$20,000, totaling approximately \$46,000 of revenue reductions.

3) Council Member Begun discussed a presentation Council Member Termini suggested he make to the Lions Club entitled, "Capitola in the Year 2028." He said the presentation went well, and he wished to thank the staff for helping him with the PowerPoint Presentation he used.

4) Council Member Graves reported on the Sanitation District meeting he attended where the board adopted its budget. He reminded the council that there is another major sewer project in the riparian corridor at Monterey and Bay Avenues, which is anticipated to be built in late 2009. The project will affect the Cliffwood Heights neighborhood, New Brighton Middle School and Brookvale Terrace Mobile Home Park. Council Member Termini asked if it would affect Pacific Cove Mobile Home Park. Council Member Graves thought it might.

E. Committee Appointments1) **Appointment of At-Large Member to the Commission on the Environment. [740-50/110-10]**

City Clerk Greeninger summarized the written agenda report. Council Member Begun said he spoke to applicants Dana Michelosen and Melissa Van Ness. Council Member Termini noted Melissa Van Ness has worked with the commission and has attended several meetings. Council Member Graves reported he did not have an opportunity to interview the applicants. Mayor Nicol said he was struck by Dana Michelosen's thorough application, and he would recommend appointing her.

Council discussion was followed by this action:

**ACTION:** Council Member Termini moved, seconded by Council Member Begun, to appoint Dana Michelosen as an At-Large Member on the Commission on the Environment. The motion carried on the following vote: AYES: Council Members Storey, Begun, Graves, Termini, and Mayor Nicol. NOES: None. ABSENT: None. ABSTAIN: None.

Council Member Begun announced that his appointee to the Commission on the Environment, BJ Crawford, has resigned. He then appointed Maureen O'Malley Moore to fill that vacancy. The City Council concurred with Council Member Begun's appointment.

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

There were no questions on the check register reports.

**ACTION:** Council Member Begun moved, seconded by Council Member Storey, to approve the Check Register Reports dated May 16, May 23 and May 30, 2008, including checks numbered 55491 through 55530 in the amount of \$104,846.52, and checks numbered 55531 through 55655 in the amount of \$122,023.43, and checks numbered 55656 through 55718 in the amount of \$173,972.16, respectively, and payroll disbursements for the 05/23/08 payroll in the amount of \$199,390.90, for a Grand Total of \$600,233.01, as submitted. The motion carried on the following vote: AYES: Council Members Storey, Begun, Graves, Termini, and Mayor Nicol. NOES: None. ABSENT: None. ABSTAIN: None.

**3. CONSENT CALENDAR**

Mayor Nicol read the titles of items on the consent calendar for the public's information. He then asked if anyone wished to pull any of the consent items for separate discussion.

Professor Glen Chase said he wished to commend staff on the proposed resolution pertaining to the light brown apple moth (Item 3.J.); however, he would like the Council to consider proposed modifications to the resolution, which were submitted via email. Mayor Nicol announced the matter would be pulled and dealt with following Other Business Item 5.B. City Manager Hill asked to have this item brought up immediately following the Consent Calendar, as he was not feeling well, and it was the only item he has on the agenda. Mayor Nicol agreed with the city manager's request, and the matter was discussed at this time. (*See comments under Item 3.J.*)

Council Member Graves questioned Item 3.K. regarding hand-held, electronic parking citation data terminals. (*See comments under Item 3.K.*)

**CONSENT CALENDAR ACTION:** Council Member Termini moved, seconded by Council Member Storey, to approve the Consent Calendar as recommended and with added condition to Item 3.K. pertaining to purchase of hand-held electronic parking citation data terminals.

Mayor Nicol noted that he would disqualify himself from voting on 3.I. due to a conflict of interest, as he is Executive Director of the Wharf to Wharf Race. Council Member Graves announced that he would abstain on Item 3.J. pertaining to the LBAM resolution since he was not in attendance at the last meeting when that matter was discussed.

The motion carried on the following vote: AYES: Council Members Storey, Begun, Graves, Termini, and Mayor Nicol. NOES: None. ABSENT: None. ABSTAIN: None. [*NOTE: Mayor Nicol was disqualified from voting on Item 3.I., and Council Member Graves abstained on Item 3.J.*]

**A. Approve Reading by Title of all Ordinances and Resolutions and declare that said Titles which appear on the Public Agenda shall be determined to have been read by Title and Further Reading Waived.**

**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. Approve City Council Minutes – Regular Meeting of May 8, 2008.**

**ACTION:** Council Member Termini moved, seconded by Council Member Storey, to approve the Minutes of the Regular Meeting of May 8, 2008, as submitted. The motion carried unanimously.

**C. Receive Planning Commission Action Minutes for the Regular Meeting of June 5, 2008. [740-50]**

**ACTION:** The City Council unanimously received the Planning Commission Action Minutes for June 5, 2008, as submitted.

**D. Adopt Resolution Setting the 2008/2009 Fiscal Year Appropriation Limit Pursuant to Article XIII B of the California Constitution. [330-05]**

**ACTION:** Council Member Termini moved, seconded by Council Member Storey, to adopt Resolution No. 3700, Resolution Setting the 2008/2009 Fiscal Year Appropriation Limit Pursuant to Article XIII B of the California Constitution, as submitted. The motion carried on the following vote: AYES: Council Members Storey, Begun, Graves, Termini, and Mayor Nicol. NOES: None. ABSENT: None. ABSTAIN: None.

## 3. CONSENT CALENDAR (Continued)

- E. Set Public Hearing on June 26, 2008, on the Appeal of a Planning Commission Approval of Project Application #08-018, 1820 41<sup>st</sup> Avenue (APNs 034-131-22, 034-131-24), Conditional Use-Permit with Off-Site Sale of Alcohol and Limited Consumption of Alcohol on Premises for a Retail Business Establishment (BEVMO) in the CC (Community Commercial) Zoning District. [730-65 CUP]**

**ACTION:** Council Member Termini moved, seconded by Council Member Storey, to approve the recommended action to set a Public Hearing on the appeal of Application #08-018 for the City Council meeting to be held Thursday, June 26, 2008. The motion carried unanimously.

- F. Receive the City Treasurer's Report for the Month Ended April 30, 2008 (Unaudited). [380-30]**

**ACTION:** The City Council unanimously received the City Treasurer's Report for the month ended April 30, 2008 (Unaudited), as submitted.

- G. Deny Claim of Kathryn Ann Christopher in the amount of \$189.95 and forward to the City's Liability Insurance Carrier. [Claims Binder]**

**ACTION:** Council Member Termini moved, seconded by Council Member Storey, to deny the claim of Kathryn Ann Christopher in the amount of \$189.95 and forward it to the City's Liability Insurance Carrier. The motion carried on the following vote: AYES: Council Members Storey, Begun, Graves, Termini, and Mayor Nicol. NOES: None. ABSENT: None. ABSTAIN: None.

- H. Confirmation of the City's Investment Policy (Administrative Policy #III-1). [350-10/Administrative Policy Binder]**

**ACTION:** Council Member Termini moved, seconded by Council Member Storey, to confirm the City's Investment Policy, as submitted. The motion carried on the following vote: AYES: Council Members Storey, Begun, Graves, Termini, and Mayor Nicol. NOES: None. ABSENT: None. ABSTAIN: None.

- I. Approve Request by Wharf to Wharf Race, Incorporated, for a Special Event Permit, Entertainment Permit, Encroachment Permit, and Sign Permit for the 36<sup>th</sup> Annual Wharf to Wharf Foot Race on Sunday, July 27, 2008, and Request for a Grant of all Permits, Police and Public Works Fees in the amount of \$8,604.00. [1050-70]**

**ACTION:** Council Member Termini moved, seconded by Council Member Storey, to approve the recommended action to approve the Special Event Permit, including Entertainment, Sign and Encroachment Permits for the 36<sup>th</sup> Annual Wharf to Wharf Race to be held on Sunday, July 27, 2008, from 5 a.m. to 12 p.m., as submitted; and to provide Wharf to Wharf, Incorporated, with a City waiver of fees in the amount of \$8,604.00. The motion carried on the following vote: AYES: Council Members Storey, Begun, Graves, and Termini. NOES: None. ABSENT: None. ABSTAIN: None. DISQUALIFIED: Mayor Nicol.

- J. Adopt Resolution Opposing the CDFA Aerial Spraying of the Light Brown Apple Moth (LBAM). [430-05]**

Prior to action being taken on the Consent Calendar, Professor Glen Chase explained the reasons for requesting minor modifications to the proposed resolution and reviewed the two options for modification provided to the council members in additional material received earlier today.

Council Members expressed their concerns about changing the proposed resolution when specific direction was given at the public hearing and when members of the community are not at the meeting to comment on the proposed modifications made by Professor Chase.

## 3. J. CONSENT CALENDAR (Continued)

Marilyn Garrett spoke in support of the modification(s) proposed by Professor Chase. She also read and submitted a copy of the "Resolution of Greater Santa Cruz Federation of Teachers' AFT Local 2030 Opposing the California Department of Food and Agriculture's Program to Eradicate the Light Brown Apple Moth."

Council discussion was followed by this action:

**ACTION:** Council Member Termini moved, seconded by Council Member Storey, to adopt **Resolution No. 3701, Resolution Opposing the California Department of Food & Agriculture (CDFA) and the U.S. Department of Food & Agriculture's (USDA) Pesticide Program to Attempt to Eradicate the Light Brown Apple Moth (LBAM) through Aerial Spraying.** The motion carried on the following vote: AYES: Council Members Storey, Begun, Termini, and Mayor Nicol. NOES: None. ABSENT: None. ABSTAIN: Council Member Graves.

**K. Approve a Sole Source Contract with Phoenix Group for Purchase of Four Hand-Held, Electronic Parking Citation Data Terminals in the amount of \$17,966, and a one-year Annual Maintenance Fee in the amount of \$2,100, for a total Expenditure of \$20,066. [470-05/500-10 A/C: Phoenix Group]**

Prior to action being taken on the Consent Calendar, Council Member Graves asked whether staff has checked with the Phoenix Group to see if the hand-held, electronic parking citation data terminals would be compatible with the city's new financial system. Council Member Begun agreed with Council Member Graves. Chief of Police Ehle said the council could condition its approval of the equipment to require that the terminals will interface with whatever financial system the city selects.

**ACTION:** Council Member Termini moved, seconded by Council Member Storey, to approve a sole source contract with the Phoenix Group in the amount of \$17,966 for the purchase of four hand-held, electronic parking citation writers, hardware, software licenses, and technical support, in addition to one-year of annual maintenance fee in the amount of \$2,100, for a total expenditure of \$20,066, and with a condition that the terminals be compatible with the city's new financial system. The motion carried on the following vote: AYES: Council Members Storey, Begun, Graves, Termini, and Mayor Nicol. NOES: None. ABSENT: None. ABSTAIN: None.

**L. Set Public Hearing on July 10, 2008, on the Appeal of a Planning Commission Denial of Project Application #07-032, 1750 41<sup>st</sup> Avenue (APN 034-131-16), Architectural & Site Review for an Exterior Remodel to an Existing Retail Store (Longs Drugs), Sign Permit, and Amendment of Conditional Use Permit to Add a Drive-Thru Pharmacy in the CC (Community Commercial) Zoning District. [730-10]**

**ACTION:** Council Member Termini moved, seconded by Council Member Storey, to approve the recommended action to set a Public Hearing on the appeal of Application #07-032 for the City Council meeting to be held on Thursday, July 10, 2008.

City Manager Hill left the meeting at this time (9:02 p.m.).

## 4. PUBLIC HEARINGS

**A. Public Hearing to Consider the Levy of Capitola Village and Wharf Business Improvement Area Assessments for Fiscal Year 2008/09. Presentation: Finance Director and CVWBIA Executive Directors. [140-05]**  
Finance Director Lai summarized the written agenda report.

## 4. A. PUBLIC HEARINGS (Continued)

Gary Wetzel, President of the Capitola Village and Wharf Business Improvement Area, thanked the council for its recent action to provide free parking at the Pacific Cove Parking Lot. Utilizing a PowerPoint Presentation, he discussed the work of the Capitola Village and Wharf Business Improvement Area. Following his presentation, Mr. Wetzel responded to questions of council members.

Mayor Nicol opened the public hearing at 9:26 p.m. Seeing no one, the public hearing was closed.

Mayor Nicol asked if there had been a majority vote against the assessments. Finance Director Lai said there were no protests, and it should be so noted in the record.

Council discussion was followed by this action:

**ACTION:** Council Member Graves moved, seconded by Council Member Begun, to adopt **Resolution No. 3702, Resolution Confirming the FY 2008/2009 Capitola Village and Wharf Business Improvement Area Assessments and Adopting the Annual Plan and the Fiscal Year 2008-09 CVWBIA Budget**, and levying business improvement assessments for FY 2008/2009. The motion carried on the following vote: AYES: Council Members Storey, Begun, Graves, Termini, and Mayor Nicol. NOES: None. ABSENT: None. ABSTAIN: None.

At 9:28 p.m. the City Council took a short break and reconvened at 9:39 p.m.

**B. Public Hearing on Project Application #08-003, 1911 42<sup>nd</sup> Avenue, Preliminary Development Plan for a Proposed Planned Development Rezoning for a 14-Lot Subdivision and Construction of 14 Single Family Homes in the RM-M (Multiple Family Residence: Medium) Zoning District (APN 034-201-033) Filed 2/4/08. Property Owner/Applicant: Mark DeMattei. Representative: Tom Thacher, Thacher & Thompson Architects. Presentation: Community Development Department. [730-10]**

Senior Planner Bane discussed the purpose and goals of the Planned Development (PD) Zoning District and reviewed the various standards for development in such districts. He commented on recent PD projects in the city. He said the purpose of this meeting is to receive comments from the city council regarding a preliminary conceptual development and to provide direction to the developer.

Tom Thacher, Thacher & Thompson Architects, reviewed the proposed project and responded to questions of council members.

Mayor Nicol opened the public hearing at 10:36 p.m.

The following residents of 42<sup>nd</sup> Avenue spoke in opposition to the proposed planned development, citing potential sewage problems, increased traffic, increased parking due to insufficient parking in the project, density of the project, ingress and egress from the driveway, inclusionary housing units, preservation of trees, etc.:

Tony Seifert; Erin Bernall; Scott Mayer (he commented on current parking and traffic problems and passed out photos of the 10-unit complex located on Vega Court); Mark Regalia; Rob Kawamoto; Cris Mariani; and Stephanie Harlan (she urged that the council deny the application for a planned development on this site.)

Mayor Nicol closed the public hearing at 11:09 p.m.



## 4. B. PUBLIC HEARINGS (Continued)

Considerable Council discussion was followed by this action:

**ACTION:** Council Member Termini moved that this Planned Development (for a 14-Lot Subdivision and Construction of Fourteen Single Family Homes in the RM-M (Multiple Family Residence: Medium) Zoning District located at 1911 42<sup>nd</sup> Avenue (APN 034-201-033) be denied in principle. Council Member Graves seconded the motion. The motion carried on the following vote: AYES: Council Members Storey, Begun, Graves, Termini, and Mayor Nicol. NOES: None. ABSENT: None. ABSTAIN: None.

At 11:40 p.m. Council Member Termini commented that it is generally the council's policy not to take up items after 11:00 p.m., and he made a motion to continue the two remaining agenda items. Public Works Director Jesberg expressed the need to apply for the Proposition 1B funds prior to the next meeting and requested that the council consider the item tonight. Assistant to the City Manager Murphy also expressed her desire to deal with the city's fee schedule tonight.

**C. Public Hearing to Consider a Resolution Amending the City's Fee Schedule to Add New Fees and Increase Existing Fees for Various City Services. Presentation: Assistant to the City Manager. [390-40]**

Assistant to the City Manager Murphy summarized the written agenda report. She responded to a question from Council Member Graves pertaining to the new museum fee for scanning a collection item.

Mayor Nicol opened the public hearing at 11.43 p.m. Seeing no one, the public hearing was closed.

There was no further council discussion of this item prior to the following action being taken:

**ACTION:** Council Member Begun moved, seconded by Council Member Storey, to adopt **Resolution No. 3703, Resolution Repealing Resolution No.'s 3645, 3650 and 3695 and Amending the City's Fee Schedule to Increase Various City Fees by the Consumer Price Index or by Actual Cost of the Service and Add New Fees.** The motion carried on the following vote: AYES: Council Members Storey, Begun, Graves, Termini, and Mayor Nicol. NOES: None. ABSENT: None. ABSTAIN: None.

## 5. OTHER BUSINESS

Mayor Nicol announced that the following item was discussed jointly with the Redevelopment Agency under Item E.1. on the RDA Agenda. The presentation, discussion and action on this item were taken at that time and are recorded in the City Council minutes below.

**A. Presentation of the FY 2007-08 Annual Housing Programs Report. [760-30]**

Mayor/Chairperson Nicol called the Joint Meeting of the Redevelopment Agency and City Council to order at 7:02 p.m. and noted that all Agency Directors and City Council Members were present.

Housing and Redevelopment Project Manager Foster presented the city's Annual Housing Programs Report based on the written agenda report. He utilized a PowerPoint Presentation for his report, which is on file as part of the record for this item. He pointed out the Housing Element needs to be submitted to the state in June of 2009 and announced there would be a Kick-Off Housing Development Workshop on Wednesday, July 9, from 6 to 8 p.m. at the Capitola Community Center at Jade Street Park.

## 5. A. OTHER BUSINESS (Continued)

Housing and Redevelopment Project Manager Foster commented on the Redevelopment Agency Implementation Plan and Housing Strategy. He discussed the monies set aside for affordable housing and the various funding sources available for affordable housing, including CDBG, HOME, and HCD. He showed photos of various acquisition/rehabilitation projects in Capitola. He also discussed acquisition of mobile home parks by park residents, inclusionary housing projects, and major housing activities for FY 2008-09. After his presentation, Housing and Redevelopment Project Manager Foster responded to questions of council members/directors.

Council Member/Director discussion was followed by this action:

**ACTION:** Council Member/Director Termini moved, seconded by Council Member/Director Graves, to accept the FY 2007-2008 Housing Programs Report, as submitted.

As a point of order, Council Member/Director Storey noted that part of the recommended action was to direct staff to return to the RDA and the City Council with materials needed to further consider and/or implement the recommendations in the report. Housing and Redevelopment Project Manager Foster said staff would be reporting back during the year on various housing programs, and it was not necessary to include that direction in the motion.

The motion carried unanimously.

*[NOTE: The action taken on this item is also recorded in the Minutes of the Capitola Redevelopment Agency under Agenda Item E.1. at Page 1132.]*

**B. Proposition 1B Local Streets and Roads Funding Proposals. [940-60]**

Public Works Director Jesberg summarized the written agenda report and said staff recommends that at this time the city request funds for street maintenance, including overlays and reconstruction efforts, and apply these funds to the Pavement Management Program.

Limited discussion was followed by this action:

**ACTION:** Council Member Graves moved, seconded by Council Member Termini, to approve the recommended action, authorizing the Public Works Director to file a funding proposal with the State Department of Finance identifying road maintenance as the proposed project for disbursement of \$400,000 in funds allocated to the City of Capitola. The motion carried on the following vote: AYES: Council Members Storey, Begun, Graves, Termini, and Mayor Nicol. NOES: None. ABSENT: None. ABSTAIN: None.

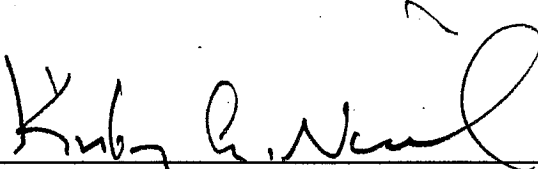
## 6. ORAL COMMUNICATIONS

Stephanie Harlan thanked the council for its careful consideration of the Planned Development on 42<sup>nd</sup> Avenue; however, she thought the council's action was confusing. She asked if it was the council's intent to consider a future request for a planned development. Council Member Termini said the comments of the council were clear in that regard.

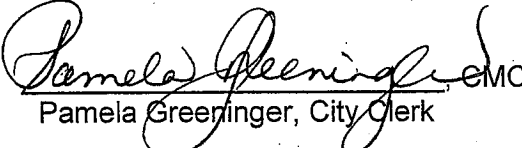
Council Member Graves also commented that it would be foolhardy for the developer to apply for a new planned development. Ms. Harlan said it would have been clearer to the developer if the council had given them the indication whether they were interested in the PD zoning or not.

7. **ADJOURNMENT**

The Capitola City Council adjourned at 11:49 p.m. to an Adjourned Closed Session of the City Council for continued Conference with Labor Negotiator pertaining to the Capitola Police Officers Association and Police Captains Bargaining Units to be held on Monday, June 16, 2008, at 5:00 p.m. in the City Manager's Office in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

  
Kirby A. Nicol, Mayor

ATTEST:

  
Pamela Greenginger, City Clerk

**MINUTES WERE UNANIMOUSLY APPROVED BY THE CITY COUNCIL ON 7/10/08**