

January 8, 2009
 Capitola, California

CAPITOLA CITY COUNCIL

MINUTES OF A REGULAR MEETING

5:00 P.M. CLOSED SESSION – CITY MANAGER'S OFFICE CAPITOLA REDEVELOPMENT AGENCY & CITY COUNCIL

At 5:08 p.m. in the City Hall Council Chambers, Vice Mayor/Vice Chairperson Storey noted that all City Council Members/Redevelopment Agency Directors were present with the exception of Mayor/Chairperson Begun who is on an excused absence. He made an announcement regarding the items to be discussed in Closed Session, as follows:

CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Govt. Code § 54956.8)

Property:	Rispin Mansion Property, 2000 & 2005 Wharf Road APN 035-371-01 & 02
Agency/City Negotiator:	Rich Hill, City Manager
Negotiating parties:	Rispin Partners LLC, City of Capitola, and City of Capitola Redevelopment Agency
Under Negotiation:	Lease and Development Agreement

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

Surf and Sand, LLC v. City of Capitola
 Sequel Union Elementary School District vs. City of Capitola

CONFERENCE WITH LABOR NEGOTIATOR (Govt. Code §54957.6)

Negotiator: Rich Hill, City Manager
 Employee Organizations: Association of Capitola Employees, Capitola Police Captains, Capitola Police Officers Association, Confidential Employees, Mid-Management Group, Building Official, Chief of Police, City Manager, Finance Director, Community Development Director, and Public Works Director

PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Govt. Code §54957)

Title: City Manager

LIABILITY CLAIMS (Govt. Code §54956.95)

Claimant: Audrey Botelho
 Claimant: Ricky Keith Smith

Vice Mayor/Vice Chairperson Storey asked if anyone wished to address items on the Closed Session agenda. Seeing no one, the council/agency recessed at 5:09 p.m. to the closed session.

At 7:07 p.m. Vice Mayor/Vice Chairperson Storey welcomed everyone to the Regular Meetings of the Capitola Redevelopment Agency and the City Council of January 8, 2009. He announced that the meetings are being broadcast live on Charter Communications Cable Channel 8 and are being recorded for rebroadcast at 12 noon on Saturday, January 10, 2009, by Community Television of Santa Cruz County.

CAPITOLA REDEVELOPMENT AGENCY – (See Redevelopment Agency Minutes)

REGULAR MEETING OF THE CITY COUNCIL

Vice Mayor Storey called the Regular Meeting of the City Council to order at 7:14 p.m. in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

ROLL CALL AND PLEDGE OF ALLEGIANCE

PRESENT: Council Members Kirby Nicol, Ron Graves, Dennis Norton and Vice Mayor Sam Storey; City Treasurer Jacques Bertrand

ABSENT: Mayor Robert "Bob" Begun

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

***** PRESENTATIONS *****

**Capitola Village Activity Report presented by
Capitola Police Sergeant Darrell Harrison**

Capitola Police Sergeant Harrison provided a verbal report on the 2008 Village Project. He said this project has been going on for several years now. The project begins each year in November with a class led by staff from the Alcohol Beverage Control office from Salinas for local businesses. The Capitola Police Department then does a follow-up educational class in May for Capitola businesses that serve alcohol in the Village. Sergeant Harrison said the Police Department continues to meet with restaurant/bar managers throughout the summer to address concerns/problems that may be occurring. He then discussed a chart he distributed to the council members entitled, "Esplanade Fights vs. Events and Arrests between 1800-0600." At this time Sergeant Harrison said he wished to commend the management of the Esplanade establishments for working with the Police Department to address these issues.

Council Member Norton asked if the Council could receive these statistics year round. Council Member Nicol asked when the safest time in the Village would be. Sergeant Harrison said they try to keep the Village safe at all times.

Vice Mayor Storey thanked Sergeant Harrison and members of the Police Department for their work in the Village.

Mayor's Proclamation**Designating January 2009 National Blood Donor Month [120-40]**

Vice Mayor Storey read and presented the Mayor's Proclamation Designating January 2009 National Blood Donor Month in Capitola to Patti Childress of the American Red Cross. Ms. Childress said it was important to continue to collect blood each year. She commented on the city's first blood drive last year, and said another blood drive would be held in June of this year.

1. REPORT ON CLOSED SESSION [520-25]

City Attorney Barisone said the items discussed in Closed Session were those listed on the posted agenda and that the Closed Session began at approximately 5:00 p.m., with Mayor/Chairperson Begun on an excused absence.

Conference with Real Property Negotiator - Rispin Mansion Property: The city council/agency directors had discussions with its real property negotiator, City Manager/Executive Director Hill, regarding the Lease and Development Agreement and provided direction regarding those negotiations. No reportable action was taken.

Conference with Legal Counsel – Existing Litigation:

Surf and Sand, LLC v. City of Capitola – The council received a status report on the Surf and Sand Mobile Home Park litigation and took no reportable action in closed session on that matter.

Soquel Union Elementary School District vs. City of Capitola – City Attorney Barisone reported that the City Council had a brief discussion concerning the Soquel Union Elementary School District vs. the City of Capitola lawsuit settlement implementation in closed session, and that no reportable action was taken. He advised Council Member Nicol recused himself from discussion of this matter due to a conflict of interest. (*See additional report below.)

Conference with Labor Negotiator – All Employee Organizations: The City Council met with its labor negotiator, City Manager Rich Hill, pertaining to all employee organizations and provided instructions regarding ongoing negotiations with all of those bargaining units.

Public Employee Performance Evaluation of the City Manager: The City Council also conducted a city manager performance evaluation in connection with the management of the budget and the current issues facing the city with respect to budget administration.

Liability Claims: City Attorney Barisone said the City Council had no discussion regarding tort claims in closed session, but they are on the council's consent agenda for rejection.

*After his report, Vice Mayor Storey asked Mr. Barisone if the action taken with respect to the Soquel Union Elementary School District was a reportable action. City Attorney Barisone said that action was not reportable; however, if it was the will of the council, he could report that action. City Attorney Barisone then stated that the Council directed the city manager to contact the school district to try to reinstitute the city council/school board sub-committee that was meeting as of the last council's term. Council Members Storey and Norton have volunteered to participate on that committee on behalf of the city if the school district is amenable.

2. ORAL COMMUNICATIONS

A. Additions and Deletions to Agenda

1) Vice Mayor Storey noted that the council received a revision to the Check Register Report, Item 2.F.

2) Council Member Norton asked if Other Business Item 5.E. could be reordered following Item 5.B. due to the number of people in the audience interested in that item. It was the consensus of the City Council to do so. (See Page 11285 for Item 5.E.)

B. Public Comments

1) Greg Tedesco, Magellan Street, commented that there seems to be a revolving door of a close group of people who serve between the City Council and the Planning Commission. He believes that out of 10,000 Capitola residents, we should be able to find others interested in serving.

2) Bruce Clark Fire Chief reported on the fire that occurred at the furniture store located on 41st Avenue across from Safeway. He commended the assistance of Police Chief Ehle and the Capitola Police Department during this emergency.

C. Staff Comments – None

D. City Council/Treasurer Comments/Committee Reports

1) City Treasurer Bertrand said the Finance Advisory Committee had its first meeting of the new year Tuesday night. He summarized the issues discussed at the meeting and input from employees and members of the public. With respect to the discussion regarding potential budget reductions, he pointed out that city staff came up with a significant list of recommendations, one of which was made by Public Works Department employee, Tim Callahan, regarding the idea to allow weddings at Jade Street Park, something that was allowed in the past. He also commented on the need to look at the current budget situation in a long-term manner.

2) Council Member Nicol commented on the Santa Cruz County Regional Transportation Commission meeting as it related to an opportunity to obtain federal funds for transportation projects. He said he met with the Public Works Director about projections for federal funds and the importance for staff to look at CIP projects that may be eligible for this federal money.

2. ORAL COMMUNICATIONS (Continued)

E. Committee Appointments

- 1) **Confirm Planning Commission Appointments of Michael Termini to the Art & Cultural Commission [1010-60] and Gayle Ortiz to the Village Master Plan Advisory Committee [740-20]**

ACTION: Council Member Nicol moved, seconded by Council Member Norton, to approve the recommended Planning Commission appointments of Michael Termini to the Art & Cultural Commission and Gayle Ortiz to the Village Master Plan Advisory Committee. The motion carried unanimously.

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

Staff responded to questions of council members pertaining to the city's cash position on page 3, Check #57791 to Cheshire Realty, and the cash balances report on page 5.

Council discussion was followed by this action:

ACTION: Council Member Norton moved, seconded by Council Member Graves, to approve the Check Register Report dated December 5, 12 and 19, 2008, including checks numbered 57713 through 57780 in the amount of \$126,455.38, checks numbered 57781 through 57846 in the amount of \$68,423.97, and checks numbered 57847 through 57959 in the amount of \$336,779.27 respectively; and payroll disbursements for the December 5, 2008, payroll in the amount of \$190,431.92, and December 19, 2008, in the amount of \$210,743.21 for a Grand Total of \$932,833.75, as submitted. The motion carried on the following vote: AYES: Council Member Graves, Nicol, Norton, and Vice Mayor Storey. NOES: None. ABSENT: Mayor Begun. ABSTAIN: None.

3. **CONSENT CALENDAR**

Vice Mayor Storey asked if there were any items members of the council or the public wished to pull for separate discussion. None were pulled.

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

- 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 – The Special Meeting of December 4, 2008, the Regular Meeting of December 11, 2008, and the Special Meetings of December 18, 30, and 31, 2008.**

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to approve the Minutes of the Special Meetings of December 8, 30 and 31 2008, and the Minutes of the Regular Meeting of December 11, 2008, as submitted, and the Minutes of December 4, 2008, as corrected. The motion carried on the following vote: AYES: Council Members Graves, Nicol, Norton, and Vice Mayor Storey. NOES: None. ABSENT: Mayor Begun. ABSTAIN: None.

- C. **Receive Planning Commission Action Minutes for the Regular Meeting of December 18, 2008. [740-50]**

ACTION: The City Council unanimously approved the Planning Commission Action Minutes for the Regular Meeting of December 18, 2008, as submitted.

3. CONSENT CALENDAR (Continued)

D. Adopt Resolution Setting Interest Rate for Tenant's Security Deposits for 2009 at 0.23%. [750-10]

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to adopt **Resolution No. 3731, Resolution Setting Interest Rate for Tenant's Security Deposits for 2009 at 0.23 Percent (0.23%) in the City of Capitola**, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Nicol, Norton, and Vice Mayor Storey. NOES: None. ABSENT: Mayor Begun. ABSTAIN: None.

E. Adopt Resolution Authorizing the City Manager to Execute an Amendment to Agreement with the State Board of Equalization for Administration of the City of Capitola Transactions and Use Tax. [390-70]

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to adopt **Resolution No. 3732, Resolution Authorizing the City Manager to Execute an Amendment to Agreement with the State Board of Equalization for Administration of the City of Capitola Transactions and Use Tax (Measure D)**, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Nicol, Norton, and Vice Mayor Storey. NOES: None. ABSENT: Mayor Begun. ABSTAIN: None.

F. Deny Claim of Audrey Botelho for an Unspecified Amount and Forward the Claim to the City's Liability Insurance Carrier. [Liability Claims Binder]

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to deny the claim of Audrey Botelho and forward it to the City's liability insurance carrier. The motion carried on the following vote: AYES: Council Members Graves, Nicol, Norton, and Vice Mayor Storey. NOES: None. ABSENT: Mayor Begun. ABSTAIN: None.

G. Deny Claim of Ricky Keith Smith in the Amount of \$46,611 and Forward the Claim to the City's Liability Insurance Carrier. [Liability Claims Binder]

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to deny the claim of Ricky Keith Smith and forward it to the City's liability insurance carrier. The motion carried on the following vote: AYES: Council Members Graves, Nicol, Norton, and Vice Mayor Storey. NOES: None. ABSENT: Mayor Begun. ABSTAIN: None.

4. PUBLIC HEARINGS - None

5. OTHER BUSINESS

A. Presentation on the Ten Year Plan to End Homelessness by Paul O'Brien, Consultant for the Santa Cruz County Homeless Action Partnership. [750-20]

Paul O'Brien thanked the City Council for the opportunity to present information on the progress of the Ten Year Plan to End Homelessness. Utilizing a PowerPoint Presentation (copy on file), Mr. O'Brien provided background information, Santa Cruz County jurisdictional budget, including the City of Capitola's share of the study, etc. He said the city's participation helps to meet Capitola's requirements in the housing element. Mr. O'Brien shared the story of "Million Dollar Murray" and the costs incurred by cities relating to homeless people. Following his presentation, Mr. O'Brien responded to questions of council members. He also said a complete copy of the strategic plan can be found on the Santa Cruz Planning Department's website at: www.sccoplanning.com

Vice Mayor Storey thanked Mr. O'Brien for the report and congratulated him on their results.

5. OTHER BUSINESS (Continued)

B. Santa Cruz County Conference & Visitors Council Conversion Study and Intercept Survey Funding Request in the Amount of \$5,000. [150-70/330-05]

City Manager Hill briefly introduced the item by summarizing the written agenda report.

Maggie Ivy, CEO/Executive Vice Present of the Santa Cruz County Conference and Visitor's Council, acknowledged that this is a difficult economic time; however, the CVC needs to complete these surveys. She said the cities of Watsonville and Scotts Valley have already committed funding for the studies. Ms. Ivy responded to questions of council members regarding the type of information the surveys would supply.

Vice Mayor Storey commented on Ms. Ivy's reference to the Redevelopment Agency. City Manager Hill said he does not recommend funding these studies with RDA monies as there are no hotels in the RDA project area.

Council Member Nicol said it was a worthwhile program, but it is not a good time. He cannot in good conscience vote for it at this time. Council Member Norton agreed. Council Member Graves said he supports the CVC, but he agrees with the other council members. He said that it appears many of the things to be done in the studies could be done without contracting with an expensive research firm. He suggested the CVC look at a more reasonable approach.

Following council discussion, no action was taken due to the lack of a motion.

Vice Mayor Storey advised the City Council would now deal with reordered Item 5.E.

E. City Budget Discussion for FY 2008/09 and FY 2009/10. [330-05]

Vice Mayor Storey introduced this item, stating that this is the beginning of council discussions and actions relative to the city's budget, and he asked the Finance Director to provide staff's report.

Utilizing a PowerPoint Presentation Finance Director Lai presented information regarding revised budgets and deficits, revenue assumptions, staff recommendations and Finance Advisory Committee recommendations for FY08/09 and FY09/10. She said the major decline is in sales tax revenues. Following her presentation, Finance Director Lai responded to questions of council members.

Vice Mayor Storey opened this matter to the public at 9:22 p.m. The following members of the public and city employees spoke:

Dana Michelosen, resident and member of the Capitola Commission on the Environment

Gary Wetsel, member of the Blue Ribbon Parking Committee, business owner and resident in Capitola

Linda Smith, Sponsorship Chairman and Secretary for the Begonia Festival Committee

Mark Sullivan spoke in support of retaining the staff person on the Capitola Commission on the Environment

Glenn Hanna commented on the Capitola Sales Tax trend and the need to reduce staff costs

Patti Wakefield, City Receptionist for the past 17 years

Kristin Jensen Sullivan, resident and Chair of the Capitola Commission on the Environment, commented on her letter that was submitted to the Council

5. E. OTHER BUSINESS (Continued)

Sally French, HOPE Services
 Chris Thompson, Vice President of the Capitola Police Officers' Association
 Andy Dally, President of the Capitola Police Officers' Association
 Richard Burruss, UPEC 792
 Tim Callahan, Public Works employee for 22 years
 Mark Wheeler, Capitola Building Inspector for 12 years
 Christian Tryde, Public Works Parks Division employee for 24 years
 Debbie Johnson, resident for 24 years and a business owner in Capitola Village
 Ron Lorenzo, Capitola Village resident
 David Foster, Community Development Department employee
 Ryan Bane, Senior Planner in the city's Community Development Department
 Greg Piper, Santa Cruz County resident
 Sandi Erickson, Cabrillo Street resident
 Toni Castro, CEO of the Capitola-Soquel Chamber of Commerce
 Matt Kotila, Public Works employee since 2000

At 10:32 p.m. Vice Mayor Storey brought the matter back to the City Council for discussion.

Vice Mayor Storey said community group funding is included on the list of recommended reductions and that he will need to recuse himself from those discussions due to a conflict of interest.

The City Council took a short break at 10:34 p.m. and reconvened at 10:45 p.m.

Considerable Council discussion and deliberation was followed by this action:

ACTION: Council Member Norton moved that the City implement a two-day per month furlough, that the furlough program be reviewed in 6 months, and to direct staff to move forward in obtaining the three golden handshakes that were discussed by Council separately in order to increase revenue reductions. Council Member Norton noted that in dealing with the Police Department, the city council would accept moving forward with the pay raises for a trade for vacation, etc., negotiation with POA to discuss deferring pay raises or vacation pay). Council Member Nicol seconded the motion.

Finance Director Lai clarified her understanding of the motion, that the council is approving a two-day furlough per month across the board which will result in \$600,000 savings. She asked if there were any conditions. Council Member Norton said the conditions would be to allow negotiations between the City Manager and the Police Department to allow reduction of the two days by the use of deferring the pay raises that were granted to the Police Department or vacation pay.

Council Member Nicol pointed out that this is a painful thing for the council to do, and emphasized that no one is being laid off. Vice Mayor Storey said we are laying off 10% of everyone.

Council Member Graves said he does not see this as laying off anyone. The realization is that the city cannot afford staff at the going rate. He hopes everyone can survive this difficult time.

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

5. E. OTHER BUSINESS (Continued)

The City Council then went through the list of recommended reductions for the FY08/09 Budget in order to come up with a reduction list agreed to by the council.

After considerable deliberation, the following action was taken:

ACTION: Council Member Graves moved, seconded by Council Member Norton, to accept the list of reductions totaling \$641,500 in the FY08/09 budget, including \$629,000 from deferred CIP, General Plan Update and Building revenues, \$11,000 from Art & Cultural Commission grants, and \$1,500 from the financial contract on state mandated cost. The motion carried on the following vote: AYES: Council Members Graves, Nicol, Norton, and Vice Mayor Storey. NOES: None. ABSENT: Mayor Begun. ABSTAIN: None.

Vice Mayor Storey then led the council through the FY09/10 reductions. Further deliberation resulted in a list of reductions for the FY09/10 Budget. Vice Mayor Storey commented that the council has reduced the FY08/09 and FY09/10 budgets by \$1,900,000. Council Member Norton said we are still \$50,000 short this year.

Vice Mayor Storey then asked for a motion to approve the reductions identified in the FY09/10 column as presented.

ACTION: Council Member Nicol moved, seconded by Council Member Norton, to approve the reductions identified in the FY09/10 column totaling \$1,273,750. The motion carried on the following vote: AYES: Council Members Nicol, Norton, and Vice Mayor Storey. NOES: Council Member Graves. ABSENT: Mayor Begun. ABSTAIN: None.

At 12:52 a.m., Vice Mayor Storey recused himself from discussion of community grants.

Acting Vice Mayor Nicol led the discussion regarding community grants. Council Member Norton said he could support a 5% reduction in community grants for FY09-10. Council Member Graves said that based on the previous Council action taken, it is not necessary to take further action.

Council discussion was followed by this action:

ACTION: Council Member Norton moved, seconded by Acting Vice Mayor Nicol, to approve a 5% reduction in Community Grant funding totaling \$13,750 for FY09-10. The motion carried on the following vote: AYES: Council Member Norton and Acting Vice Mayor Nicol. NOES: Council Member Graves. ABSENT: Mayor Begun. ABSTAIN: Vice Mayor Storey.

(Note: The total Expenditure Reductions approved by the City Council for FY09-10, including the 5% reduction in Community Grant funding is \$1,286,750.)

Vice Mayor Storey returned to the council chambers. At 12:54 a.m. he asked if the remaining items could be deferred to a future meeting. Council Member Nicol said he thought the items would go quickly.

C. Status Report of Citywide Shuttle Program. [770-20]

Public Works Director Jesberg summarized the written agenda report and responded to questions of council members.

Council discussion was followed by this action:

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

5. C. OTHER BUSINESS (Continued)

1. Accepted the Report on Ridership of the Citywide Shuttle which operated during the summer 2008,
2. directed staff to cease operation of the Citywide Shuttle for 2009, with the added provision that if grant funds become available, the Council could reconsider operation of a Citywide shuttle, and
3. directed the Public Works Department to prepare and advertise a Request for Proposals for a one- to five-year contract for shuttle service with options for expanded service at the City's direction.

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

D. Pavement Management Program Update. [940-40]

Public Works Director Jesberg summarized the written agenda report and discussed the proposed projects identified on the attachment to the report. He responded to questions and comments of council members regarding the Derby Trotter neighborhood not being included in the project list and the condition of 38th Avenue between Capitola Road and the city limits. Public Works Director Jesberg asked if the Council would consider removing the digouts on Capitola Road and replacing them with the Derby Trotter cape seal project. Council Member Graves said he would consider not having 41st Avenue included in digouts.

Vice Mayor Storey said he would be abstaining since he lives on Trotter Street.

Council discussion was followed by this action:

ACTION: Council Member Graves moved to approve the following street segments for the 2009 Street Resurfacing Project with funding provided by the General Fund, Proposition 1B, and the Capitola Redevelopment Agency:

Hill Street from Bay Avenue to the eastern end, Plum Street from Capitola Avenue to Rosedale Avenue, and Rosedale Avenue from Hill Street to Pine Street, and then we do 41st Avenue from Clares Street to Capitola Road, Cherry Avenue, Derby Trotter Neighborhood, and digouts on Capitola Road with the remaining funding.

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

E. City Budget Discussion for FY 2008/09 and FY 2009/10.

This item was dealt with prior to Other Business Item 5.C. (See Page 11285.)

F. Appointment/Reappointment of Standby City Council Members. [420-20]

City Clerk Greeninger summarized the written agenda report and also informed the Council that Tony Gualtieri would continue to serve as Mayor Begun's Standby Council Member.

ACTION: Council Member Graves moved, seconded by Council Member Nicol, to approve the nomination of Michael Termini as Council Member Norton's Standby City Council Member, and directed staff to inform Mr. Termini of his appointment and schedule the necessary Oath of Office at a regular meeting of the City Council. The motion carried unanimously.

5. OTHER BUSINESS (Continued)

G. Annual City Goal Setting Session. [120-10]

City Manager Hill asked if the Council wished to have a Goal Setting Session this year in light of the budget crisis.

Council Member Nicol said he believes the council should have one and that January 28 works for him. Vice Mayor Storey said Mayor Begun recommended the February 4th date, and he also suggested it be held somewhere other than City Hall.

Council discussion was followed by this action:

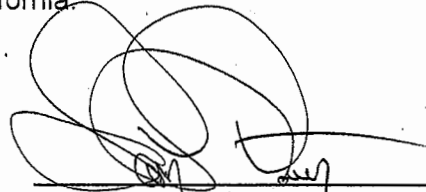
ACTION: Council Member Nicol moved, seconded by Council Member Norton, to set the Annual Goal Setting Session for Wednesday, January 28, 2009, at 6:00 p.m. in the City Hall Council Chambers. The motion carried unanimously.

6. ORAL COMMUNICATIONS

Council Member Nicol commended Vice Mayor Storey for chairing his first meeting during Mayor Begun's absence.

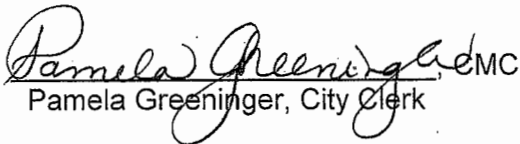
7. ADJOURNMENT

The City Council adjourned at 1:14 a.m., on Friday, January 9, 2009, to its next Regular Meeting to be held on Thursday, January 22, 2009, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.



Sam Storey, Vice Mayor

ATTEST:


Pamela Greeninger, City Clerk

MINUTES WERE APPROVED BY THE CITY COUNCIL ON 2/11/09, WITH MAYOR BEGUN ABSTAINING