

January 22, 2009
 Capitola, California

CAPITOLA CITY COUNCIL

MINUTES OF A REGULAR MEETING

5:30 P.M. CLOSED SESSION – CITY MANAGER’S OFFICE CAPITOLA REDEVELOPMENT AGENCY & CITY COUNCIL

At 5:38 p.m. in the City Hall Council Chambers, Vice Mayor/Chairperson Storey 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 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/RDA Executive Director
 Negotiating parties: Rispin Partners LLC, City of Capitola, and City of Capitola
 Redevelopment Agency
 Under Negotiation: Lease and Development Agreement

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

Property: McGregor Property, APN 36-341-02 (City of Capitola, Owner)
 City Negotiator: City Manager for Lessor
 Negotiating Parties: Patti Boe
 Under Negotiation: Lease/Purchase Negotiation

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

Surf and Sand, LLC v. City of Capitola
 Soquel 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

Vice Mayor/Chairperson Storey asked if anyone wished to address items on the Closed Session agenda. Seeing no one, the council/agency recessed at 5:39 p.m. to the Closed Session.

SPECIAL MEETING OF THE CAPITOLA FINANCING AUTHORITY

(See Capitola Financing Authority Minutes)

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 7:06 p.m. in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

ROLL CALL AND PLEDGE OF ALLEGIANCE

PRESENT: Council Members Ron Graves, Kirby Nicol, 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 *****

**Oath of Office Ceremony for Standby City Council Member
Michael Termini [420-20]**

Vice Mayor Storey asked the City Clerk to perform the Oath of Office ceremony for newly appointed Standby City Council Member Michael Termini. He noted that Mr. Termini was the appointment of Council Member Dennis Norton. City Clerk Greeninger then administered the oath of office to Michael Termini. She congratulated him on his appointment and provided him with copies of the Government Code and the Capitola Municipal Code sections pertaining to his position as a Standby City Council Member, as well as a copy of his Oath of Office.

**Certificates of Appreciation to Outgoing
Board, Commission and Committee Members**

Vice Mayor Storey said it was his honor to recognize several members of the community who have served on various city boards, commissions and committees. He then called each recipient forward and presented them with a Certificate of Appreciation and gave them an opportunity to address the council.

Architectural and Site Review Committee [740-15]

Jennifer Clark Colfer, Landscape Architect - January 2005 to December 2008

Vice Mayor Storey informed the council that Jennifer Clark Colfer could not be at the meeting tonight. He acknowledged her four years of service to the City as Landscape Architect on the Architectural and Site Review Committee.

Kathryn Gualtieri, Historian - January 2005 to December 2008

Kathryn Gualtieri thanked the members of the Architectural and Site Review Committee members for making wise choices for the City. She said the professional staff in the city's Community Development Department should be lauded for all their hard work above and beyond. In closing Mrs. Gualtieri thanked the city council for the opportunity to serve on the committee, and she said the city is in very good hands with the Museum Director, Carolyn Swift, taking over as Historian on the committee.

Commission on the Environment [430-05]

Erin Bernall – October 2005 to December 2008

Erin Bernall thanked the City Council for the privilege of participating on the Commission on the Environment. It was a great opportunity for her to work with such a dedicated group of commission members. Council Member Norton said Erin was one of the original members on the commission, and she participated in the polystyrene foam ordinance, the Water Festival, and a number of other matters considered by the commission.

Maureen O'Malley-Moore – June 2008 to December 2008

Maureen O'Malley-Moore said her term on the Commission on the Environment was short, but she was able to participate in the Water Festival Event and enjoyed serving on the commission. She also said she looks forward to serving on another city committee.

Finance Advisory Committee [330-40]**Lou Tuosto, Business Representative – February 2007 to December 2008**

Lou Tuosto thanked the City Council for the opportunity to serve the city on the Finance Advisory Committee. It was his privilege to serve as the representative from the business community. Mr. Tuosto said he enjoyed serving with several council members and other community members and that he learned a great deal from his service on this committee.

Planning Commission [740-50]**Debbie Hale, Council Member Termini's Appointee – April 2008 to December 2008**

Debbie Hale wished to thank former Council Member Michael Termini for appointing her to serve as his appointment on the Planning Commission after Eric Marlatt resigned. She enjoyed being back on the Planning Commission for the short period of time.

Dennis Norton, Council Member Storey's Appointee – December 2006 to December 2008

Council Member Norton thanked Vice Mayor Storey for the recognition.

1. REPORT ON CLOSED SESSION [520-25]

City Attorney Barisone said the items discussed in closed session were those listed on the posted agenda. He said the Closed Session commenced at approximately 5:30 p.m. and that all City Council Members, with the exception of Mayor/Chairperson Begun, who is on an excused absence, were present. City Attorney Barisone reported on the items discussed in closed session as follows:

Conference with Real Property Negotiator - Rispin Mansion Property: City Manager Hill provided an update on the Lease and Development Agreement. No reportable action was taken.

Conference with Real Property Negotiator – McGregor Drive Property: The Council heard from the City Manager regarding a potential option agreement for the McGregor Drive property, wherein a hotel developer is proposing to enter into such an agreement that would authorize development of the property as a hotel. The Council took no reportable action in closed session on this matter; however, the council did direct staff to schedule a policy discussion on the use and potential sale of the property at a future city council meeting.

Conference with Legal Counsel – Existing Litigation

Surf and Sand, LLC v. City of Capitola – The council received a status report from Community Development Director Goldstein and the city attorney relative to ongoing and prospective litigation. No reportable action was taken on this matter in closed session.

Soquel Union Elementary School District vs. City of Capitola – City Attorney Barisone reported that there was no information to report on this matter; therefore, there was no discussion.

Due to time constraints, City Attorney Barisone announced that the council continued its discussion on the following Closed Session items to an Adjourned Meeting of the City Council to be held tomorrow, January 23, 2009, at approximately 3:30 p.m.:

Conference with Labor Negotiator, Rich Hill, City Manager, regarding Employee Organizations Public Employee Performance Evaluation of the City Manager

2. ORAL COMMUNICATIONS

A. Additions and Deletions to Agenda

Vice Mayor Storey said a letter was received from the Pacific Cove Mobile Home Park Homeowners' Association requesting that Items 5.A. & B. be moved up on the agenda if possible. He asked how many people in the audience were in attendance regarding the public hearing items, and then he asked how many people were here for Items 5 A & B. It appeared many of the people raised their hands for all items. Vice Mayor Storey asked if there was a desire to adjust the agenda pursuant to the request. There was no interest in doing so by the Council.

B. Public Comments

1) Margaret Kinstler, representative from the Capitola Village Residents Association, advised she was in attendance to represent their association. She said their association has 120 members and that they recently had an election of officers. She announced that Nels Westman was elected President and named several members of the 14 member Board of Directors..

2) Riccardo Gaudino, 47th Avenue resident, discussed the City's participation in issuing the Proclamation, "Who Named America Youth Education Month," in October of 2008. In doing so, he said Capitola is one of over 300 cities in the United States celebrating their origins for the 2009 "Culture Capital of America" award. He said the emphasis of this celebration is to bring together local storyteller groups to pass on the stories of each town. He then told a story about his neighbor on 47th Avenue, Peter Skinini. Mr. Gaudino presented small flags to each individual council member, as well as a special award to Vice Mayor Storey, of a large commemorative flag designating Capitola "Culture Capital of America" and a commemorative pin.

3) Capitola resident Amie Forest introduced herself as a community organizer for Capitola. She suggested the city have a "Capitola Call to Service" event. She discussed the opportunity the city has to harness the talent of people in the community who would like to get involved. Ms. Forest volunteered to spearhead an event to be held as soon as possible at Jade Street Community Center. Vice Mayor Storey suggested she contact the City Manager with her ideas.

C. Staff Comments

Assistant to the City Manager Murphy commented on prior Council direction to staff pertaining to the city's cable television franchise with Charter Communications. She said there was direction regarding the formation of a cable television committee that would include public members. Assistant to the City Manager Murphy said she is working on an agenda report for next month regarding the cable franchise and that she would like council permission to advertise for public members to serve on this committee. City Manager Hill clarified that the announcement would state that the city is recruiting for public members to participate on a cable television committee to review issues before Charter Communications and that interested applicants can contact Lisa Murphy. Vice Mayor Storey asked if there was consensus to give direction to staff to advertise for that committee.

Council Member Graves commented that over the years there have been a number of qualified residents who have expressed interest in serving on such a committee. He said interested persons could also contact him, and he would be sure to give their information to staff.

ACTION: It was the consensus of the City Council to direct staff to advertise for public members to serve on a cable television committee.

Assistant to the City Manager Murphy also commented on the DTV (digital television) conversion, and said that customers of Charter cable will not be affected.

2. ORAL COMMUNICATIONS (Continued)

D. City Council/Treasurer Comments/Committee Reports

1) Council Member Norton commented on the Inauguration of President Barack Obama and quoted a number of the President's comments regarding the difficult economic times and concessions that need to be made by employees and the community. Council Member Norton said the city council need to be doers. He commented on Amie Forest's recommendation to create a day to make connections with community members to find ways to help the community, which is exactly what the President is suggesting. He agreed with Amie Forest's comments earlier in the meeting that the city should put together a meeting sometime in February at Jade Street Community Center and ask the community to join in.

2) Council Member Graves said he has received inquiries from members of the community regarding the Capitola Village Residents' Association. People have expressed interest in serving on the board and have asked him how they can become a member of the committee. He commented that the boundary has grown from Capitola Village to other areas including Depot Hill, etc. He suggested that the person representing the Capitola Village Residents' Association at the council meetings report on what the committee is doing and provide information regarding the committee's aims and objectives.

3) Council Member Graves asked about the status of the proposed book of sea wall tiles. He wondered if it has died due to lack of interest. Council Member Norton said the Art & Cultural Commission is still in discussion regarding that project.

4) City Treasurer Bertrand commented that a citizen approached him with a suggestion to improve health insurance for the City. He plans to bring that matter to the Finance Advisory Committee in the future.

E. Committee Appointments1) **Confirm Planning Commission Reappointment of Ron Burke to the Commission on the Environment. [430-05]**

ACTION: Council Member Nicol moved, seconded by Council Member Graves, to confirm reappointment of Ron Burke as the Planning Commission representative to the Commission on the Environment. The motion carried unanimously.

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

ACTION: Council Member Nicol moved, seconded by Council Member Norton, to approve the Check Register Report dated January 2 and 9, 2009, including checks numbered 57960 through 58010 in the amount of \$105,025.08, and checks numbered 58011 through 58055 in the amount of \$337,866.45, respectively; and payroll disbursements for the January 2, 2009, payroll in the amount of \$195,386.86, for a Grand Total of \$638,278.39, 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. Council Member Graves pulled Item 3.H. regarding Finance Director Recruitment. Council Member Nicol commented on Item 3.D. (*see comments under that item below*). Council Member Norton commented on Item 3.E. at this time (*see comments under that item*). Council Member Norton then asked to pull Item 3.G. pertaining to adoption of a resolution amending the FY2008/09 budget.

Vice Mayor Storey advised that Items 3.G. & H. would be discussed at the end of the meeting following Other Business Item 5.B. (*See discussion and action on Pages 11300 and 11302.*)

3. CONSENT CALENDAR (Continued)

CONSENT CALENDAR ACTION: Council Member Nicol moved, seconded by Council Member Norton, to approve the Consent Calendar as recommended, with the exception of Items 3.G. and H., which were pulled for separate discussion and action. 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 – None**

- C. Receive Planning Commission Action Minutes for the Regular Meeting of January 15, 2009. [740-50]**

ACTION: The City Council unanimously approved the Planning Commission Action Minutes for the Regular Meeting of January 15, 2009, as submitted.

- D. Approve Plans, Specifications, and Construction Budget and Authorize Public Works Department to Advertise for Bids for the Bay Avenue Sidewalk Project. [940-40]**

Prior to action being taken on the Consent Calendar, Council Member Nicol commented on Item 3.D., noting that the proposal calls for the installation of the 3-way stop sign at the intersection of Monterey and Bay Avenues. He doesn't recall the council having discussed that action. Public Works Director Jesberg said it is included in the plans; however, the Council would need to take a separate action after a contract is approved for the project.

ACTION: Council Member Nicol moved, seconded by Council Member Norton, to approve the plans, specifications and construction estimate for the Bay Avenue Sidewalk Project which will construct new sidewalks from Capitola Avenue to Monterey Avenue along the southern side of Bay Avenue and authorize the Public Works Department to advertise the project for bid, setting the bid opening date for February 18, 2009, 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. Approve Contract Change Order Number 3 in the Amount of \$9,173.86 for the Esplanade Restroom Remodel Project. [270-10/500-10 A/C: JMA Construction]**

Prior to action being taken on this item, Council Member Norton asked the Public Works Director if we can get this project done. Public Works Director Jesberg said the contractor is committed to finishing the project, although they have experienced delays. Council Member Norton asked him to inform the contractor that the City Council would like to see the prompt completion of this project.

ACTION: Council Member Nicol moved, seconded by Council Member Norton, to approve Contract Change Order Number 3 for the Esplanade Restroom Remodel Project in the amount of \$9,173.86 for additional work to the project caused by changes in the work due to unanticipated conditions, 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.

3. CONSENT CALENDAR (Continued)

**F. Accept Comprehensive Annual Financial Report for Fiscal Year Ended 6/30/08.
[310-20/ 760-25 RDA/335-20 CFA]**

ACTION: Council Member Nicol moved, seconded by Council Member Norton, to accept the Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2008, 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.

G. Adopt Resolution Amending City Budget for Fiscal Year 2008-2009.

This item was pulled for separate discussion. (See discussion and action on Page 11300.)

H. Authorize the City Manager to Recruit for the Position of Finance Director.

This item was pulled for separate discussion. (See discussion and action on Page 11301.)

4. PUBLIC HEARINGS

A. Public Hearing regarding Coastal Development Permit Application #09-002 Increasing the Parking Meter Rate in Meter Zone A (Village) and Zone B (Pacific Cove Parking Lot), Increasing the Area in Zone B, and Adopting an Ordinance Amending Section 10.36.055 of the Capitola Municipal Code Pertaining to Parking Meter Zones/Rates. [1st Reading] Presentation: Public Works Director. [470-30 Parking Meter Regulations/740-30 Local Coastal Plan]

Public Works Director Jesberg summarized the written agenda report and responded to questions of council members. He also clarified that the Coastal Development Permit would not be approved until final adoption (second reading) of the ordinance. The 10-day appeal period would commence following the second reading of the ordinance.

Vice Mayor Storey opened the public hearing at 8:01 p.m.

The City Council received input from the following members of the public:

Gary Wetsel, representing the Blue Ribbon Parking Committee

Steven Woodside, member of the Blue Ribbon Parking Committee

Molly Ording (read a communication from Nels Westman, President of the Capitola Village Residents Association, pertaining to Parking Revenues/Long Term Parking Solutions.)

Carin Hanna, member of the Blue Ribbon Parking Committee

Considerable Council discussion and deliberation was followed by several failed motions.

Vice Mayor Storey then asked if Gary Wetsel would like to speak to the proposed \$2 per hour meter rate. Mr. Wetsel said the main problem with that rate is having \$2 worth of quarters/coins for the meter. He asked if there was any way people could use credit cards in the meters. Mr. Wetsel also strongly urged the council to consider parking bank machines with the set aside funds from the increased meter revenues.

Glenn Hanna commented that no one knows what the increased revenues will be; the figures are merely estimates. He cautioned the council that, due to the downturn in the economy, revenues may not increase as much as is being estimated. He expressed concern about trying to figure out the percentage to set aside and suggested a set amount, such as \$100,000, be set aside.

Ron Lorenzo, Village resident, commented on additional locations to place meters.

Dunn Silvey, Fanmar Way resident, expressed concern that the already-impacted Fanmar/Terrace neighborhood will be impacted even more with increased meter rates. He said that area should be permit parking 365 days a year.

4. A. PUBLIC HEARINGS (Continued)

Community Development Director Goldstein noted that the Coastal Development permit that is recommended would need to come back at the second reading of the ordinance to reflect the changes being proposed. He also commented on residential permit zones.

After further public input and council discussion, several additional motions failed on 2/2 votes.

City Attorney Barisone informed the Council that the Municipal Code allows the chair (the Mayor or Vice Mayor) to continue a matter to another meeting when less than a full council is present.

Council Member Norton said the Council needs to make decisions and move forward on this item. He expressed concern about additional staff time when matters are continued.

ACTION: At 9:17 p.m., Vice Mayor Storey continued this matter to the next regularly scheduled meeting of the City Council to be held on Wednesday, February 11, 2009.

Council Member Nicol asked that staff come back with a simple printout of options for Council consideration, rather than several different documents.

Glenn Hanna commented on programming the meters and said \$2.00 is not divisible by 60 minutes and is not a practical option. Vice Mayor Storey asked staff to factor in this issue raised by Mr. Hanna in its report.

B. Public Hearing to Consider Amendment to the City's Fee Schedule Resolution to Increase the Village Parking Permit Fee for Residents and Merchants from \$25 per year to \$50 per year. Presentation: Police Department. [390-40 Fee Schedule/470-30 Parking Meter Regulations]

Chief of Police Ehle commented on the previous item discussion regarding use of credit cards in the meters. He said the new meters would be capable of accepting debit cards with the purchase of card readers.

Chief of Police Ehle then summarized the written agenda report and responded to questions of council members.

Vice Mayor Storey opened the public hearing at 10:22 p.m.

The following individuals addressed the city council on this item during the public hearing:

Gary Wetsel, Blue Ribbon Parking Committee, supported staff's recommendations.

Liz, a resident on Lawn Way, does not support an increase in the Village Permit fee.

Carin Hanna, owner of the Craft Gallery in Capitola Village, addressed the employer-employee permits, saying there are only 50 such permits, which covers only a fraction of the number of employees.

Filiz Erbehtas, owner of Café Misk, a small coffee shop on Monterey Avenue, expressed her concerns about streets in the Village where residents are allowed to park. She believes residents should be able to park on Capitola Ave., as well as Monterey Ave.

Dunn Silvery, Fanmar Way, commented that Village residents can park on Fanmar with their permits. He also commented on the impacts to his neighborhood by employee parking, and he believes they should be parking at Pacific Cove Parking Lot.

Margaret Kinstler, Riverview Avenue, commented on limited on-street parking on her street. Due to the streets' proximity to the Village, employees often times park there and then the residents who don't have off-street parking have nowhere to park. She suggested all employees be allowed to obtain permits to park at Pacific Cove parking lot.

4. B. PUBLIC HEARINGS (Continued)

Steve Woodside, member of the Blue Ribbon Parking Committee, said they did consider location of permit parking but did not recommend any changes.

Vice Mayor Storey opened the public hearing at 9:40 p.m.

Considerable Council discussion was followed by this action:
ACTION: Council Member Graves moved to leave the Neighborhood Permits at \$25 per year and approve the proposed resolution changing the Village Preferential and the Village Employer/Employee Permit fees from \$25 per year to \$50 per year, with direction to staff to include an amendment to the resolution to increase the maximum number of Village Employer/ Employee Parking Permits, which may be used in the Pacific Cove Parking Lot for any calendar year, from 50 permits to 100 permits. The motion was seconded by Council Member Norton.

Following further Council discussion, the motion to adopt **Resolution No. 3733, Resolution Amending Section II.E. and Section III.A., Paragraphs 4. and 5., of Resolution No. 3190, and Amending the City's Fee Schedule Resolution No. 3703, Pertaining to Village Preferential Permits and Village Employer/Employee Permits** (which includes amendment to Section III.A.5. of Resolution No. 3190 pertaining to raising the number of Village Employer/Employee Parking Permits from 50 to 100) carried on the following vote: **AYES:** Council Members Graves, Nicol, Norton, and Vice Mayor Storey. **NOES:** None. **ABSENT:** Mayor Begun. **ABSTAIN:** None.

The City Council took a short break at 10:06 and reconvened at 10:18 p.m.

5. OTHER BUSINESS

A. Discussion of Long Term Parking Projects. [470-05]

City Manager Hill summarized the written agenda report and advised this matter was requested by Council Member Norton, who would initiate the discussion.

Council Member Norton said this issue has been discussed many times over the years and several different studies prepared. He would like to start the discussion. He provided a handout entitled, "Long Term Parking Solutions: Capitola Village and Adjacent Areas."

The following members of the public addressed the council on this item:

Gary Wetsel expressed the importance of establishing a committee that will look toward long term solutions to the city's parking problems.

Glenn Hanna said the only solution to the parking problem is to create more parking spaces. He commented on the parking structure that was recently built for the Spa Fitness facility on 41st Avenue. He said the owner, Harry Jenkins, told him it cost approximately \$30,000 per space.

Sean Miller, President of the Pacific Cove Mobile Home Park Homeowners Association, commented on their letter requesting that this matter be moved up on the agenda. He expressed the concerns of Pacific Cove Mobile Home Park residents about their residences being jeopardized for additional parking. Mr. Miller discussed the residents' interest in purchasing the mobile home park, and he said they hope to present their proposal to the council in the next few months. He said the residents want to be proactive and a part of the solution.

5. A. OTHER BUSINESS (Continued)

Molly Ording, Monterey Avenue resident, expressed concerns that the parking problems have gone on for far too long, and it is important for the city to work on a solution. She also commented on the parking bank proposal, which would require a can-do attitude.

Jacques Bertrand thanked Council Member Norton for the solutions he has brought forward. He commented that this has to be an integrated solution for visitors, residents, and the residents of Pacific Cove Mobile Home Park.

After receiving comments from the public on this item, Council Member Norton summarized his submittal for Long Term Parking Solutions, including creation of a "Parking Bank," building a 3-story parking structure at the existing Pacific Cove Parking Lot, Village Parking recommendations, and the benefits and opportunities created for City of Capitola, Capitola Village and all residents.

Individual council members commented on some of Council Member Norton's proposed solutions. Vice Mayor Storey said in the next item the Council will be looking at creating a parking committee that will be looking at solutions to the city's parking problems. He would encourage the committee to review Council Member Norton's suggestions.

Council Member Norton suggested establishing a committee and then obtaining community input.

City Council discussion resulted in no action being taken on this item.

B. Reestablish the Village Master Plan Advisory Committee as the Village Area Parking Commission. [470-60/740-40]

City Manager Hill summarized the written agenda report and identified two options for council consideration:

- 1) Include the tasks of the Parking Commission into the responsibilities of the current Village Master Plan Advisory Committee, or
- 2) Eliminate the Village Master Plan Advisory Committee and establish a Village Area Parking Commission.

The City Council received comments from Gary Wetsel, Carin Hanna, Sean Miller, Molly Ording, and City Treasurer Bertrand on this item prior to Council discussion.

Council Member Nicol commented on the continued purpose of the Village Master Plan Advisory Committee as set forth in paragraph 4 of Resolution No. 3470, which includes review of traffic circulation through the village and development of a Village parking plan. He pointed out that the Village Master Plan Advisory Committee expires on June 30, 2009.

Council Member Norton commented on his participation on the Village Master Plan Advisory Committee. He believes 9 to 11 members on a parking committee would be a good number, and he would support creating a new group.

Council Member Graves believes a committee should be formed, and it should be addressing community parking as a whole, not just the Village. He would be interested in considering parking in other areas. He does not believe the Village Master Plan Advisory Committee should take on the tasks of the new parking committee. Council Member Graves said we should solicit members for a "Community Parking Committee" and get some new views.

5. B. OTHER BUSINESS (Continued)

Vice Mayor Storey made the following comments: he believes the new committee should focus on the issues of parking and circulation; that staff should be directed to solicit the community and Blue Ribbon Parking Committee for interested members of the community to serve on the committee; that 10 or 11 ideal individuals who are willing to work on the committee be appointed; he thought it was a great idea to have the committee work toward developing the city's general plan, and the city could possibly use some of the general plan budget dollars to fund the committee, which could lead into the development of the city's general plan with a better product at much less cost to the city; and that he supports the request to include a representative from Pacific Cove Mobile Home Park on the committee.

Considerable Council discussion was followed by this action:

ACTION: Council Member Graves moved to create an eleven (11) member committee to study parking and circulation in the City of Capitola; that their charge be to do that without concentrating on the Village core exclusively; that the committee be as broad-based as possible, including a representative from Pacific Cove Mobile Home Park; and that staff advertise for this committee on the City's website and Cable Television Channel 8 scroll.

Under discussion, Council Member Norton asked if a Council Member and Planning Commissioner should be included on the committee. City Manager Hill said staff would bring back a resolution, and the council could identify representation at that time.

Public Works Director Jesberg asked about the Village Master Plan Advisory Committee since the committee would be meeting next week. City Manager Hill expressed concerns about the impact on staff with the addition of another committee. Vice Mayor Storey suggested making the Village Master Plan Advisory Committee inactive at this time. Council Member Nicol said he would be willing to see it expire.

Council Member Norton seconded the motion made by Council Member Graves regarding the creation of a new parking committee. The motion carried unanimously.

Council Member Nicol asked if there were a consensus to suspend the Village Master Plan Advisory Committee.

ACTION: Council Member Graves then moved, seconded by Council Member Nicol, to allow the Village Master Plan Advisory Committee to run its time frame, which expires June 30, 2009, and that the Council acknowledge and thank the members of the Village Master Plan Advisory Committee and the Blue Ribbon Parking Committee for their service. The motion carried on the following vote: AYES: Council Members Graves, Nicol, and Norton. NOES: Vice Mayor Storey. ABSENT: Mayor Begun. ABSTAIN: None.

Public Works Director Jesberg said the schedule for Village Master Plan Advisory Committee meetings for 2009 to be approved by the committee at its meeting next week, was to meet quarterly. There would only be one other meeting in April prior to June 30 expiration date.

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

3. CONSENT CALENDAR (*Items pulled for separate discussion.*)**G. Adopt Resolution Amending City Budget for Fiscal Year 2008-2009. [330-10]**

Council Member Norton said he did not think the Council could adopt this resolution until it meets tomorrow on the Closed Session items that were continued. City Manager Hill said these changes were approved by the council at its last meeting. Further budget cuts, etc., would need to come back at a future meeting.

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

Council discussion was followed by this action:

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to adopt **Resolution No. 3734, Resolution Amending 2008-2009 Fiscal Year City Budgets Due to Economic Decline**, 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.

H. Authorize the City Manager to Recruit for the Position of Finance Director. [600-10].

City Manager Hill 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 continue this item for discussion following the Adjourned Closed Session to be held tomorrow, Friday, January 23, 2009.

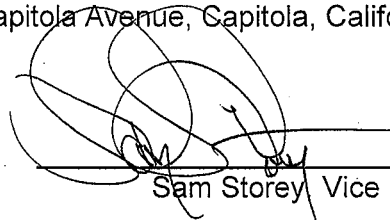
Vice Mayor Storey said he cannot accept that we try to function without a CFO equivalent in this organization and explained why. He would like to see a scope of work for an interim finance director, as well as an organizational chart of the Finance Department and the particular functions/job descriptions of staff members so that the council may evaluate that information. He also said that when the council made the furloughs, eliminating this position was not part of that discussion.

Council Member Nicol said the city has a hiring freeze in place. He asked whether we could get interim help from the City Treasurer. City Treasurer Bertrand said he would be willing to help, but he is not a CFO. City Treasurer Bertrand did say the Finance Advisory Committee would like to be part of the process of hiring a new Finance Director.


6. ORAL COMMUNICATIONS – None

7. ADJOURNMENT

The City Council adjourned at 11:45 p.m. to an Adjourned Meeting to be held Friday, January 23, 2009, at 4:00 p.m. for Closed Session and to an Open Session for continued discussion regarding Agenda Item 3.H. at approximately 5:30 p.m., and then to its Special Goal Setting Session to be held on **Wednesday, January 28, 2009**, at 6:00 p.m., in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.


Sam Storey, Vice Mayor

ATTEST:

 CMC
Pamela Greeninger, City Clerk