

February 26, 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 5:33 p.m. in the City Hall Council Chambers, Mayor/Chairperson Begun noted that all City Council Members/Redevelopment Agency Directors were present. 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 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

Mayor/Chairperson Begun asked if anyone wished to address items on the Closed Session agenda.

City Attorney Barisone informed the Council that he received a settlement offer yesterday concerning the Vieira matter, and he would like the council to consider adding that matter to the Closed Session with a finding that it came to the Council's attention after the posting of the agenda and that it cannot wait until the next regular council meeting.

**ACTION:** Council Member Norton moved, seconded by Council Member Nicol, to add the matter of Vieira Enterprises vs. City of Capitola (Cabrillo Mobile Estates) to the Closed Session Agenda under Conference with Legal Counsel – Existing Litigation, with the finding that the matter came to the Council's attention after the posting of the agenda and that it cannot wait until the next regular council meeting. The motion carried on the following vote: AYES: Council Members Graves, Storey, Nicol, Norton, and Mayor Begun. NOES: None. ABSENT: None. ABSTAIN: None.

The council/agency then recessed at 5:36 p.m. to the Closed Session.

**CAPITOLA REDEVELOPMENT AGENCY** (See Redevelopment Agency Minutes)

**REGULAR MEETING OF THE CITY COUNCIL**

Mayor Begun called the Regular Meeting of the City Council to order at 7:02 p.m. in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

**ROLL CALL AND PLEDGE OF ALLEGIANCE**

**PRESENT:** Council Members Ron Graves, Sam Storey, Kirby Nicol, Dennis Norton, and Mayor Robert "Bob" Begun

**ABSENT:** City Treasurer Jacques Bertrand

**STAFF:** City Manager Rich Hill, City Attorney John G. Barisone, Interim Finance Director Chuck Comstock, Community Development Director Jamie Goldstein, Public Works Director Steve Jesberg, Police Captain Todd Mayer, Assistant to the City Manager Lisa Murphy, and City Clerk Pamela Greeninger

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

City Attorney/Agency Counsel Barisone said the items discussed in closed session were those listed on the posted agenda. In addition, he stated that following an announcement of the Closed Session made in the Council Chambers at approximately 5:30 p.m., he informed the Council/Directors that he had received correspondence from the attorneys representing Mr. Vieira (Cabrillo Mobile Estates) pertaining to a settlement agreement. In accordance with Brown Act requirements, the City Council unanimously took action to add the matter of *Vieira Enterprises vs. City of Capitola (Cabrillo Mobile Estates)* to the Closed Session Agenda, with the finding that the matter came to the Council's attention after the posting of the agenda and that it cannot wait until the next regular council meeting.

City Attorney/Agency Counsel Barisone said the Closed Session commenced at approximately 5:30 p.m. in the City Manager's Office and that all City Council Members/Redevelopment Agency Directors were present. He then reported on the items discussed in closed session as follows:

Conference with Real Property Negotiator - Rispin Mansion Property: With respect to the ongoing negotiations between Rispin Partners LLC, the City of Capitola and the Capitola Redevelopment Agency pertaining to a Lease and Development Agreement, City Manager/Executive Director Hill provided an update regarding this matter, but took no reportable action in Closed Session.

Conference with Legal Counsel – Existing Litigation: Due to time constraints, there was no discussion or action taken regarding *Surf and Sand, LLC v. City of Capitola* or *Soquel Union Elementary School District vs. City of Capitola*.

Conference with Labor Negotiator, City Manager Rich Hill - Employee Organizations: The City council received a status report from the City Manager with regard to all the negotiations with bargaining units and individual management employees who are not represented. He said the various groups are listed on the agenda and are also on the City Council's Open Session agenda for action. No reportable action was taken in Closed Session.

City Attorney Barisone said due to time constraints the council did not conduct an employee performance evaluation of the City Manager as was originally scheduled.

**ADDED ITEM:** Conference with Legal Counsel – Existing Litigation: *Vieira Enterprises vs. City of Capitola (Cabrillo Mobile Estates)*: The Council considered the item of correspondence from the attorneys representing Mr. Vieira in the Cabrillo Mobile Estates litigation and provided direction to the attorney regarding how to respond to that correspondence. No reportable action was taken.

**2. ORAL COMMUNICATIONS****A. Additions and Deletions to Agenda – None****B. Public Comments**

1) Ellen Jennings commented on discussions regarding increased parking meter rates and hoped a decision could be put off until March. She also discussed the modular unit being proposed for installation in the employee parking area at Pacific Cove Mobile Home Park. She said the residents are against having a modular office unit in the mobile home park, and she believes the residents are protected by several laws. Ms. Jennings felt it would be in the best interest of the city to table this matter.

2) Richard Arnold, Association of Real Estate Advisors, expressed concern about who is making policy in Capitola, and he passed out a document entitled, "METRO the Metropolitan Government Network." He is concerned about what AMBAG is doing and about basic civil rights. He said there should be input at the local level regarding activities of other agencies.

3) Linda Smith, representative of the Capitola Village Residents' Association, thanked the council for approving 50% of the parking meter fees going to a reserve account. During the month of March Capitola Village Residents' Association members want to increase visibility of their organization in the community. She said interested persons can contact them at [CVRA@googlegroups.com](mailto:CVRA@googlegroups.com)

4) Carin Hanna read a letter that was written to the Editor of the Santa Cruz Sentinel Newspaper regarding the amount of money retired county employees received. She noted the letter reported that after retirement an employee continued to work for the County receiving a salary, plus his retirement benefits. She is particularly concerned about the benefits of public employees compared to those from the private sector. Mrs. Hanna said she is concerned about the Chief of Police retiring and then coming back as an Interim Chief. She said the city has Captains working in the Police Department, one who has worked for the city as long as she can remember, and she asked why not reward another employee to fill in as Interim Chief before that person retires.

5) An unidentified man commented that nothing is more fun than spending someone else's money, and he urged the council to use the city's money wisely.

6) Amy McKenna expressed her concern that the city should bring people up through the ranks, particularly with the Police Chief's position.

7) An unidentified man commented on the council's decision to raise parking meter rates in the Village and his concern that it will discourage business. He suggested more creative ways of generating parking revenues, such as more trolleys, charging people to pay to park at the shuttle lot, etc. He also congratulated the Council on the article in the Sunset Magazine about Capitola.

8) Sandy Erickson, Cabrillo Street, said she was watching the meeting at home, but she came down to City Hall to comment and agree with Carin Hanna's oral communications, particularly with respect to city wages.

**C. Staff Comments – None****D. City Council/Treasurer Comments/Committee Reports**

1) Council Member Graves reported on the Wharf Group meeting. At that meeting he, Mayor Begun, and staff met with the two Wharf proprietors. They learned that the money in the Wharf fund that was set aside to replace the 7 piles that need work will not be sufficient to do the necessary work. He said no more pilings than the city has funds to cover will be repaired. He added that some of the projects have been put on the back burner, including the fire protection aspect. Council Member Graves complimented staff for the repairs that were directed by public works staff in order to stay within budget. Mayor Begun commented that the money for the Wharf fund comes from rents from the Wharf businesses.

## 2. D. ORAL COMMUNICATIONS (Continued)

2) Council Member Storey announced that the Santa Cruz Symphony would be having concerts this weekend. In addition, he reported that on Monday, March 2, the Library Board would be having discussions on the 2009-10 FY Library budget and that the public is welcome to attend. The meeting will be held at the Main Library, 224 Church Street, at 7:00 p.m.

3) Council Member Norton shared the latest Sunset Magazine with Capitola on the front cover and listed as one of the "20 Best Small Towns" in California.

He also announced that on Saturday, February 28, at 10 am, at Jade Street Park Community Center, there will be a "Call to Community Service" where there will also be discussions of volunteer service in the City. Council Member Norton suggested a Special Meeting of the Council be called since a majority of the Council plan to attend this meeting. City Attorney Barisone said the Council would need to decide whether there is a possibility of discussing city business and, if so, a special meeting could be called. After discussion, it was the consensus of the Council to direct staff to prepare and post the appropriate notice.

E. Committee Appointments1) **Appointment and Council Ratification of Mayor Begun's Appointee to the Capitola Commission on the Environment. [430-05]**

Mayor Begun said he would like to appoint Melissa Van Ness to the Commission on the Environment.

**ACTION:** Council Member Nicol moved, seconded by Council Member Storey, to ratify Mayor Begun's appointment of Melissa Van Ness as his appointee to the Commission on the Environment. The motion carried unanimously.

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

Council Member Nicol questioned Check #58306 to Roy Hastings in the amount of \$15,000. Community Development Director Goldstein believes it is for compliance monitoring of a CDBG project.

Council Member Norton asked about Check #58252 to NBS Government Finance Group regarding Tradewinds Assessment. City Manager Hill said he would get back to the council on those items.

Council discussion was followed by this action:

**ACTION:** Council Member Nicol moved, seconded by Council Member Graves, to approve the Check Register Reports dated February 6 and 13, 2009, including checks numbered 58225 through 58276 in the amount of \$242,833.95, and checks numbered 58277 through 58365 in the amount of \$81,321.25, respectively; and payroll disbursements for the February 13, 2009, payroll in the amount of \$179,955.04, for a Grand Total of \$504,110.24, as submitted, and with direction to staff to report back to the City Council tomorrow regarding Checks numbered **58306 and 58252**. The motion carried on the following vote: AYES: Council Member Graves, Storey, Nicol, Norton and Mayor Begun. NOES: None. ABSENT: None. ABSTAIN: None.

3. **CONSENT CALENDAR**

Mayor Begun asked if there were any items on the Consent Calendar that members of the council or the public wished to pull for separate discussion. Council Member Storey advised he would like to have Item 3.E. voted upon separately, as he has a conflict of interest on that item; he is the executive director of one of the community groups.

Richard Arnold, Association of Real Estate Advisors, asked to pull Item 3.C. regarding the Coastal Development Permit and Meter Zones/Rates Ordinance.

## 3. CONSENT CALENDAR (Continued)

**CONSENT CALENDAR ACTION:** Council Member Graves moved, seconded by Council Member Nicol, to approve the Consent Calendar as recommended, with the exception of Items 3.C. and 3.E., which will be discussed at the end of the agenda. The motion carried on the following vote: AYES: Council Members Graves, Storey, Nicol, Norton, and Mayor Begun. NOES: None. ABSENT: None. 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 – Regular Meeting of February 11, 2009.**

**ACTION:** Council Member Graves moved, seconded by Council Member Nicol, to approve the Minutes of the Regular Meeting of February 11, 2009, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Storey, Nicol, Norton and Mayor Begun. NOES: None. ABSENT: None. ABSTAIN: None.

- C. Approval of Coastal Development Permit Application #09-002 to Split Parking Meter Zone A into Zone A(1) (Village Area) and Zone A(2) (Cliff Drive Area), and Adopt Ordinance Amending Section 10.36.055 of the Capitola Municipal Code Pertaining to Parking Meter Zones/Rates. [2nd Reading] [470-30 Parking Meter Regulations/740-30 Local Coastal Plan]**

*This item was pulled for separate discussion. (See discussion and action immediately following Consent Calendar Item 3.E. on Page 11323.)*

- D. Award Contract to Robert A. Bothman, Inc., in the amount of \$149,594 for the Bay Avenue Sidewalk Improvement Project. [940-40/500-10 A/C: Bothman, Robert A.]**

**ACTION:** Council Member Graves moved, seconded by Council Member Nicol, to award a contract to Robert A. Bothman, Inc., in the amount of \$149,594 for the construction of the Bay Avenue Sidewalk Improvement Project, and to authorize the Public Works Director to negotiate a change order to add additional sidewalk at the northwest corner of Bay Avenue and Capitola Avenue by the Capitola Produce Market, as requested. The motion carried on the following vote: AYES: Council Members Graves, Storey, Nicol, Norton, and Mayor Begun. NOES: None. ABSENT: None. ABSTAIN: None.

- E. Approve Determination of No New Community Grant Applications for Fiscal Year 2009-2010. [330-30]**

*This item was pulled for separate discussion. (See discussion and action on Pages 11326 and 11327.)*

Council Member Norton said there were members of the public who wished to address Item 3.C., and he asked if that item could be discussed now.

Council discussion was followed by this action:

**ACTION:** Council Member Norton moved, seconded by Council Member Nicol, to move Item 3.C. for discussion at this time. The motion carried unanimously.

## 3. CONSENT CALENDAR (Continued)

The City Council now dealt with Consent Calendar Item 3.C.:

**C. Approval of Coastal Development Permit Application #09-002 to Split Parking Meter Zone A into Zone A(1) (Village Area) and Zone A(2) (Cliff Drive Area), and Adopt Ordinance Amending Section 10.36.055 of the Capitola Municipal Code Pertaining to Parking Meter Zones/Rates. [2nd Reading] [470-30 Parking Meter Regulations/740-30 Local Coastal Plan]**

Richard Arnold, Association of Real Estate Advisors, addressed the Council regarding the proposed ordinance increasing parking meter rates in the Village. He said he pulled this item for discussion as he believes this is an unnecessary burden being placed on the businesses in Village, and he thinks the city should take out the meters. Mr. Arnold also expressed concern that a majority of the council sat on the Blue Ribbon Parking Committee.

Council Member Norton responded to Mr. Arnold's comments, saying that Capitola has been discussing this matter for a long time. He also clarified there were only 2 council members on the Blue Ribbon Parking Committee; he was not on the council at that time.

An unidentified man said he has talked with the merchants about this, and they are not in favor of the rate increase as it may affect their business. He believes the council should poll the merchants before approving the rate increase.

Council Member Graves commented that the action was made with great compromise by both the council and the committee. He then addressed the recommendation about taking out the meters. He also clarified that he sat on the Blue Ribbon Parking Committee, but he did not vote. Council Member Graves said the additional 50¢ per hour creates a new parking fund to work on a long term parking plan.

Council discussion was followed by this action:

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

- 1) Approved Coastal Development Permit Application #09-002 to split parking meter Zone A into Zone A(1) and Zone A(2) and establish the following meter rates: Zone A(1) at \$1.50 per hour; Zone A(2) at \$1.00 per hour, and Zone B at \$0.50 per hour; and
- 2) Adopted **Ordinance No. 936, Ordinance Amending Section 10.36.055 of the Capitola Municipal Code Pertaining to Parking Meter Zones/Rates**, as submitted.

Prior to voting on this item, Council Member Norton said he wished to compliment everyone who worked together to get to this point. Council Member Storey also commented that the recommendations were made by local merchants and residents.

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

## 4. PUBLIC HEARINGS - None

## 5. OTHER BUSINESS

**A. Report on the Implementation of Surf School Regulations Pursuant to Ordinance No. 929. [1020-20]**

Eric Mitchell, CSO with the Capitola Police Department, summarized the written agenda report. He said all but one of the Surf Clubs, Club Ed, were in compliance last season. Only 3 complaints were received, and they were relative to Club Ed. They were minor violations which were corrected. He said there are no lessons occurring in Capitola at this time.

## 5. A. OTHER BUSINESS (Continued)

Council Member Nicol asked if there was anything staff would change about the ordinance or procedures after having worked with the new ordinance for one season. Community Service Officer Mitchell said it seems to be working well, and he has no recommendations for changes at this time.

Council Member Norton asked about live scan fingerprinting. Community Service Officer Mitchell said this is a requirement for instructors teaching children.

Council discussion was followed by this action:

**ACTION:** Council Member Nicol moved, seconded by Council Member Graves, to accept the report on the Implementation of Surf School Regulations pursuant to Ordinance No. 929, as submitted. The motion carried unanimously.

**B. Resolution Creating a Capitola Traffic and Parking Commission and Defining its Term, Categories of Representation, and Charge. Staff recommendation: adopt resolution and direct staff to begin recruitment. [470-60]**

Public Works Director Jesberg summarized the written agenda report. He discussed a discrepancy regarding the resolution and the agenda report pertaining to the appointment of the City Treasurer or his appointee. He said the correct make-up of the committee is that identified on the draft resolution: (5) At-large appointees of each Council Member, (1) Planning Commissioner, (1) Pacific Cove Mobile Home Park Resident, (2) Village Residents, and (2) Village Business Owners.

Margaret Kinstler, Capitola Village Residents' Association, expressed concern that the parking commission should be balanced among the community. She expressed concern about the Pacific Cove Mobile Home Park resident, saying that person would be voting for only 30 people. Ms. Kinstler recommended that the council ask the Capitola Village Residents' Association to recommend the two Village residents.

Individual council members discussed this item, and Public Works Director Jesberg responded to their questions.

Council discussion was followed by this action:

**ACTION:** Council Member Nicol moved, seconded by Council Member Graves, to adopt **Resolution No. 3740, Resolution Creating a Capitola Traffic and Parking Commission and Defining its Membership and Charge** (the draft resolution as submitted; not with a City Treasurer or his designee as stated in the agenda report), and directed staff to immediately begin recruitment for all of the public member categories on the commission and requested that the Planning Commission make a recommendation for its appointee, and to bring the matter back for council appointments at its meeting of April 9. Council Member Graves said it would be his recommendation that there be a 3 week recruitment period, and that the council have 2 weeks to contact the applicants prior to appointments being made. The motion carried on the following vote: AYES: Council Members Graves, Storey, Nicol, Norton, and Mayor Begun. NOES: None. ABSENT: None. ABSTAIN: None.

There was further discussion regarding the recruitment process with the expectation that recruitment will be open for a 3-week period, council members will then interview applicants individually, and that staff will bring this matter back to the council for appointment of commission members on April 9, 2009.

At 8:26 p.m., Mayor Begun asked the city manager to provide a staff report on the remaining Other Business items.

**Other Business Items 5.C. through 5.K.**

City Manager Hill summarized the various furlough/salary reduction programs with all city employees. He said staff would be meeting on a quarterly basis to review the fiscal status of the city and provide a forum for ideas on addressing budgetary concerns. He commented on each and every bargaining group and identified those groups and employees who participated in this process. City Manager Hill said he was sincerely grateful for that effort.

Mayor Begun asked if any members of the public wished to address this matter.

Glenn Hanna asked if the city manager would go through this program. He expressed concern that the way this is being done it is not a furlough at all, but is a deferral. Mr. Hanna thought the direction was to close City Hall one day a month.

Carin Hanna said she read through the packet materials and she, too, has concerns about the furlough program. She requested an explanation of what it going on in layman's terms.

City Manager Hill and members of the City Council responded to Mr. and Mrs. Hanna's concerns and questions.

Council discussion was followed by this action:

**ACTION:** Council Member Nicol moved, seconded by Council Member Storey, to approve Agenda Items 5.C., D., E., F., G., H., I., J. and K. pursuant to the recommended action for each of those items. The motion carried on the following vote: AYES: Council Members Storey, Nicol, Norton, and Mayor Begun. NOES: Council Member Graves. ABSENT: None. ABSTAIN: None.

*(NOTE: Although the action taken was for Items 5.C. through 5.K. relating to the Furlough/Salary Reduction Program by one motion, individual action is recorded below for each item.)*

**C. LIUNA, General Employees Bargaining Unit Furlough/Salary Reduction Program. (Association of Capitola Employees – ACE) [600-10]**

**ACTION:** Council Member Nicol moved, seconded by Council Member Storey, to approve the Letter of Agreement with LIUNA to implement the furlough/salary reduction program on March 1, 2009. The motion carried on the following vote: AYES: Council Members Storey, Nicol, Norton, and Mayor Begun. NOES: Council Member Graves. ABSENT: None. ABSTAIN: None.

**D. Confidential Bargaining Unit Furlough/Salary Reduction Program. [600-10]**

**ACTION:** Council Member Nicol moved, seconded by Council Member Storey, to approve the Letter of Agreement with the Confidential Bargaining Unit to implement the furlough/salary reduction program on March 1, 2009. The motion carried on the following vote: AYES: Council Members Storey, Nicol, Norton, and Mayor Begun. NOES: Council Member Graves. ABSENT: None. ABSTAIN: None.

**E. Mid-Management Bargaining Unit Furlough/Salary Reduction Program. [600-10]**

**ACTION:** Council Member Nicol moved, seconded by Council Member Storey, to approve the Letter of Agreement with the Mid Management Bargaining Unit to implement the furlough/salary reduction program on March 1, 2009. The motion carried on the following vote: AYES: Council Members Storey, Nicol, Norton, and Mayor Begun. NOES: Council Member Graves. ABSENT: None. ABSTAIN: None.



## 5. OTHER BUSINESS (Continued)

**F. Building Official Furlough/Leave Reduction Program. [600-10]**

**ACTION:** Council Member Nicol moved, seconded by Council Member Storey, to approve the Letter of Agreement with the Building Official to implement the furlough/salary reduction program on March 1, 2009. The motion carried on the following vote: AYES: Council Members Storey, Nicol, Norton, and Mayor Begun. NOES: Council Member Graves. ABSENT: None. ABSTAIN: None.

**G. City Manager Furlough/Leave Reduction Program. [600-10]**

**ACTION:** Council Member Nicol moved, seconded by Council Member Storey, to approve the Letter of Agreement with the City Manager to implement the furlough/salary reduction program on March 1, 2009. The motion carried on the following vote: AYES: Council Members Storey, Nicol, Norton, and Mayor Begun. NOES: Council Member Graves. ABSENT: None. ABSTAIN: None.

**H. Community Development Director Furlough/Salary Reduction Program. [600-10]**

**ACTION:** Council Member Nicol moved, seconded by Council Member Storey, to approve the Letter of Agreement with the Community Development Director to implement the furlough/salary reduction program on March 1, 2009. The motion carried on the following vote: AYES: Council Members Storey, Nicol, Norton, and Mayor Begun. NOES: Council Member Graves. ABSENT: None. ABSTAIN: None.

**I. Public Works Director Furlough/Salary Reduction Program. [600-10]**

**ACTION:** Council Member Nicol moved, seconded by Council Member Storey, to approve the Letter of Agreement with the Public Works Director to implement the furlough/salary reduction program on March 1, 2009. The motion carried on the following vote: AYES: Council Members Storey, Nicol, Norton, and Mayor Begun. NOES: Council Member Graves. ABSENT: None. ABSTAIN: None.

**J. Capitola Police Captain Bargaining Unit Furlough/Salary Reduction Program. [600-10]**

**ACTION:** Council Member Nicol moved, seconded by Council Member Storey, to approve the Letter of Agreement with the Police Captain Bargaining Unit to implement the furlough/salary reduction program on March 1, 2009. The motion carried on the following vote: AYES: Council Members Storey, Nicol, Norton, and Mayor Begun. NOES: Council Member Graves. ABSENT: None. ABSTAIN: None.

**K. Capitola Police Officers' Association Furlough/Time Deferral Program. [600-10]**

**ACTION:** Council Member Nicol moved, seconded by Council Member Storey, to approve the Letter of Agreement with the Capitola Police Officers' Association to implement the furlough/time deferral program on March 1, 2009. The motion carried on the following vote: AYES: Council Members Storey, Nicol, Norton, and Mayor Begun. NOES: Council Member Graves. ABSENT: None. ABSTAIN: None.

AT THIS POINT, ITEMS REMOVED FROM CONSENT CALENDAR WILL BE CONSIDERED
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3. CONSENT CALENDAR (*Items pulled for separate discussion.*)**E. Approve Determination of No New Community Grant Applications for Fiscal Year 2009-2010. [330-30]**

Council Member Storey recused himself due to a conflict of interest on this item and left the Council Chambers.

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

City Manager Hill summarized the written agenda report and staff's recommended action.

Limited discussion was followed by this action:

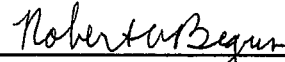
**ACTION:** Council Member Norton moved, seconded by Council Member Nicol, to make the determination that no new community grant applications will be considered for the 2009-10 FY budget, as recommended. The motion carried on the following vote: AYES: Council Members Graves, Nicol, Norton, and Mayor Begun. NOES: None. ABSENT: None. ABSTAIN: None. DISQUALIFIED: Council Member Storey.

6. **COUNCIL/STAFF COMMUNICATIONS**

Mayor Begun commented on the state of the economy and his concern that there is too much doom and gloom. He encouraged everyone to "Shop Capitola."

7. **ADJOURNMENT**

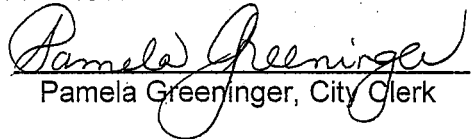
The City Council adjourned at 9:06 p.m. to a Special Joint Meeting of the Planning Commission and the City Council to be held on Wednesday, March 4, 2009, at 6:00 p.m., in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.



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Robert A. Begun, Mayor

ATTEST:



Pamela Greeninger, City Clerk

**MINUTES WERE UNANIMOUSLY APPROVED BY THE CITY COUNCIL ON 3/26/09**