

June 11, 2009  
 Capitola, California

**CAPITOLA CITY COUNCIL  
 MINUTES OF A REGULAR MEETING**

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

At 6:06 p.m. in the City Hall Council Chambers, All City Council Members/ Redevelopment Agency Directors were present, with the exception of Council Member/Director Graves. Mayor/Director Begun 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: The Rispin 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 vs. City of Capitola  
 Soquel Union Elementary School District vs. City of Capitola  
 Vieira Enterprises vs. City of Capitola (Cabrillo Mobile Estates)

**PERFORMANCE EVALUATION (Govt. Code §54957)**

Title: City Manager

Mayor/Chairperson Begun asked if anyone wished to address items on the Closed Session agenda. Seeing no one, the City Council/Redevelopment Agency recessed at 6:07 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 7:14 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, Community Development Director Jamie Goldstein, Public Works Director Steve Jesberg, Interim Finance Director Chuck Comstock, Annuitant Police Officer Brian, Assistant to the City Manager Lisa Murphy, and City Clerk Pamela Greeninger

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

City Attorney John Barisone reported on the items on the posted agenda that were discussed in closed session. He said all five council members were present, along with City Manager Hill and himself.

## 1. REPORT ON CLOSED SESSION (Continued)

1) City Manager/Executive Director Hill provided a status report on the ongoing negotiations pertaining to the Rispin Lease and Development Agreement. No reportable action was taken.

2) The City Attorney provided a brief report on existing litigation between the City of Capitola vs. Surf and Sand, LLC. No reportable action was taken in Closed Session.

3) There was no substantive discussion with respect to the Soquel Union Elementary School District matter and no reportable action was taken. City Attorney Barisone noted that Council Member Nicol recused himself and did not participate on this item due to a conflict of interest.

4) The Council received a brief status report from the City Attorney pertaining to the Cabrillo Mobile Estates matter (*Vieira Enterprises vs. City of Capitola*). He reported that Vieira has requested oral arguments.

5) The City Council conducted a performance evaluation of the city manager regarding a few items for which he is responsible, but took no reportable action in Closed Session.

## 2. ORAL COMMUNICATIONS

A. Additions and Deletions to Agenda – None

B. Public Comments

1) Kate Arrieta wished to applaud the new restrooms at Esplanade Park.

2) Paul Pelkey commented on the Finance Committee and yesterday's Traffic & Parking Commission meeting. He also commented on DMV codes and concerns he has about Charter Cable service.

3) Pat Cultera, resident of Cabrillo Mobile Estates, commented on the construction occurring at 200 Kennedy Drive. She expressed concern about when trucks would be allowed to access the Kennedy Drive site after the project is completed. Staff responded to Ms. Cultera's concerns. Council Member Graves said he would like the matter placed on an agenda, including the responses given to council members, and a full set of the conditions that were placed on the development. No action was taken at this time to place the matter on an agenda.

4) Pamela Atmore, resident of Cabrillo Mobile Estates, also expressed concerns about the development at 200 Kennedy Drive. She referred to the 8/7/07 Planning Commission minutes and cited several comments from those minutes. She expressed concern about removal of the gate and the street becoming a through-street. She said the gate has been there since 1960.

5) Sean Miller, President of the Pacific Cove Mobile Home Park Homeowners Association, expressed concern regarding inadequate notification to the park residents regarding Agenda Item 5.B. pertaining to setting a Public Hearing for consideration of the HOA's interest in purchasing the mobile home park. Mayor Begun said this is a matter on the agenda and Mr. Miller could address the council at that time.

6) Fred Coquelin, President of Cabrillo Mobile Estates, asked that all correspondence regarding the 200 Kennedy Drive situation be given to the park property owner Albert Vieira.

7) An unidentified woman who lives on 42<sup>nd</sup> Avenue near the DMV commented on the need for city government to provide recreation and opportunities for the people of Capitola to meet and connect during these hard economic times.

## 2. ORAL COMMUNICATIONS (Continued)

C. Staff Comments – NoneD. City Council/Treasurer Comments/Committee Reports

1) Council Member Storey followed up on a suggestion that the matter involving the construction at 200 Kennedy Drive, next to Cabrillo Mobile Home Park, come back to the council with a report at the next regular meeting. He suggested including information regarding whether there was an appeal of the Planning Commission decision at that time.

Council Member Graves clarified that his major concern pertaining to the project is with the right of way into the mobile home park, and the removal of a fence and gate that he does not think could be conditioned upon the park owner and its residents because they were not an applicant before the Planning Commission. He commented on the right of way, which is owned jointly by Mr. McCoy and the mobile home park owner. Council Member Graves said he feels it is important to get everyone affected by the project together. He also commented on a deed restriction that was approved by the Planning Commission.

Council Member Norton said the council cannot bring this entire project back as it was already approved and is in process. He also said the issues should be defined.

City Attorney Barisone said the owner has an approved project, and they have vested rights to complete the project. He said the only way the project can be modified is by a modification to the permit application.

Council Member Storey asked that staff look specifically into the issue about the right of way being opened up on the easement that is not a part of the project.

Considerable Council discussion was followed by this action:

**ACTION:** It was the consensus of the City Council to place the Kennedy Drive matter on the next regular meeting of the City Council to be held June 25, 2009, for a report from staff.

2) Council Member Norton said the governor is proposing to close several state parks, including New Brighton State Beach. He commented on the visitor serving/economic generator aspects of New Brighton State Beach on Capitola. He said it has the highest occupancy rate of any state park, and it is not acceptable for New Brighton to be shut down. Council Member Norton said he would like the council to adopt a resolution against closing the state parks within California, specifically New Brighton State Beach, and send it to the governor. Council Member Norton would also like staff to look into the economic feasibility of the City taking over New Brighton as part of our parks program. City Manager Hill said he would be happy to look into that.

E. Committee Appointments – NoneF. Approval of Check Register Report [300-10]

Council Member Norton asked about the check to Fireworks & Stage FX America for the Fireworks display in September. He was told the amount was reimbursed.

Council Member Nicol asked about Check #59888 to KWAV Radio. Assistant to the City Manager Murphy said that was for advertising the citywide garage sale, which is paid through grants for recycling.

Mayor Begun commented that the word “funded” used to be noted on items that were funded. He asked if that information could that be added to the new report.

**ACTION:** Council Member Nicol moved, seconded by Council Member Norton, to approve the Check Register Reports dated May 22 and 29, 2009, including checks numbered 59869 through 59915 in the amount of \$101,743.00, and checks 59916 through 60049 in the amount of \$234,753.87, respectively; and payroll disbursements for the May 22, 2009, payroll in the amount of \$210,166.55 for a Grand Total of \$546,663.42, 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.

**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.

Kate Arrieta asked to pull Item 3.E. regarding the Wharf to Wharf Race Special Event Permit.

Mayor Begun advised Item 3.E. would be discussed at the end of the meeting following Other Business Item 5.D. (*See discussion and action on Page 11426.*)

**CONSENT CALENDAR ACTION:** Council Member Norton moved, seconded by Council Member Storey, to approve the Consent Calendar as recommended with the exception of Item 3.E. 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 – The Special Joint Budget Study Sessions of the City Council/Redevelopment Agency of May 13 and May 21, 2009, and the Regular Meeting of May 14, 2009.**

**ACTION:** Council Member Norton moved, seconded by Council Member Storey, to approve the Special Joint Budget Study Sessions of the City Council/Redevelopment Agency of May 13 and May 21, 2009, and the Regular Meeting of the City Council of May 14, 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. (*NOTE: Council Member Storey abstained on the Minutes of May 13, 2009, only.*)

- C. Receive the Planning Commission Action Minutes for the Regular Meeting of June 4, 2009. [740-50]**

**ACTION:** The City Council unanimously received the Planning Commission Action Minutes for the Regular Meeting of June 4, 2009, as submitted.

- D. Receive the City Treasurer's Report for the Month Ended April 30, 2009 (Unaudited). [380-30]**

**ACTION:** Council Member Norton moved, seconded by Council Member Storey, to accept the City Treasurer's Report for the Month Ended April 30, 2009 (Unaudited), as submitted.

- E. Approve Request by Wharf to Wharf Race, Incorporated, for a Special Event Permit, Entertainment Permit, Encroachment Permit, and Sign Permit for the 37<sup>th</sup> Annual Wharf to Wharf Foot Race to be held on Sunday, July 26, 2009, and Request for a Grant of all Permits, Police and Public Works Fees in the amount of \$8,855.**

*This item was pulled for separate discussion. (See action on Page 11426.)*

- F. Accept the 2008 Slurry Seal Program as Complete at a Final Cost of \$132,520.25 and Authorize the Release of the Contract Retention of \$13,252.03 in 35 days following the recordation of the Notice of Completion. [940-60/500-10 A/C: Bond Blacktop]**

**ACTION:** Council Member Norton moved, seconded by Council Member Storey, to accept the 2008 Slurry Seal Program as Complete at a final cost of \$132,520.25 and authorized the release of the contract retention of \$13,252.03 in 35 days following the recordation of the Notice of Completion, as submitted.

**4. PUBLIC HEARINGS**

- A. Public Hearing to Accept the California Coastal Commission Approval of Amendments to the Capitola Local Coastal Program related to the City's Village Valet Parking Program, Beach Shuttle, and McGregor Drive Parking Lot. Staff recommendation: adopt Resolution Accepting Coastal Commission Modifications and an Ordinance Rescinding Ordinance No. 910 and Amending/Adding Various Sections of Capitola Municipal Code Title 17. Presentation: Community Development Department. [740-30 Local Coastal Program/250-10 McGregor Property/470-40 Parking/740-40 General Plan/730-85 Zoning]**

Community Development Director Goldstein summarized the written agenda report, discussed the changes made by the Coastal Commission, and responded to questions of council members.

Mayor Begun opened the public hearing at 7:55 p.m.

Carin Hanna said she is very concerned about removing the McGregor Drive remote parking lot, explaining that if the city loses its year-to-year lease at Crossroads, the city may need to use the McGregor lot. She cautioned the council to be careful, as one never knows what will happen down the line.

Paul Pelkey agreed; he stands behind what the previous speaker said about the use of the McGregor lot.

Mayor Begun closed the public hearing at 7:58 p.m.

There was considerable council discussion regarding the Coastal Commission changes, particularly relating to restricting the valet parking program to private-only parking lots and interest on behalf of the council to defer taking action at this time.

Community Development Director Goldstein said there is a 6-month requirement to accept the changes made by the Coastal Commission. Since the changes were approved on March 12, 2009, the council would need to take action by September 10, 2009.

Considerable Council discussion was followed by this action:

**ACTION:** Council Member Nicol moved, seconded by Council Member Storey, to take the following actions:

1) Passed the proposed Ordinance Rescinding Ordinance No. 910, and Amending the Capitola Municipal Code Title 17 Pertaining to Zoning to Amend Chapter 17.21, C-V Central Village District by Amending Section 17.21.120, Parking, and Adding Section 17.21.160, Valet Parking; Amending Chapter 17.46 CZ Coastal Zone Combining District, Section 17.46.090 Coastal Permit Approval, and Amending Chapter 17.42 PF Public Facilities District, Section 17.42.010 Applicability, and Adding a New Section 17.51.220, Shuttle Program Parking, to Chapter 17.51 Parking and Loading, to a second reading,

2) Continued the adoption of the proposed resolution to the next meeting when the ordinance returns for a second reading, and

3) Directed staff to contact the Coastal Commission regarding the process the city would need to follow in order to change the commission's approved LCP changes restricting the valet parking program to operations on private parking lots only, to check with the vendors who expressed interest in valet parking service to see if they are still interested, even though it does not involve public parking, and how long it would take to set up the process, and to report back to the Council at the next meeting when the council considers the second reading of the ordinance.

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

## 4. PUBLIC HEARINGS (Continued)

**B. Public Hearing to Consider a Resolution Amending the City's Fee Schedule to Increase Various City Fees by the Consumer Price Index or by Actual Cost of Service and to Add New Fees Under Planning Department Fees. Presentation: City Manager's Department. [390-40]**

Assistant to the City Manager Murphy summarized the written agenda report and responded to questions of council members. Community Development Director Goldstein also addressed inquiries regarding the two new Planning Department fees: Preliminary Review Fee and Conceptual Review Fee. He said these fees were his idea, and he explained why he has suggested including these in the fee schedule. The conceptual review fee was brought forth with regard to the Capitola Theater property.

Council Member Norton said he was happy the fees did not go up. He did comment on the fee of \$23 for Vehicle Storage under Police Department fees. He said the fee seemed low, in comparison to the amount charged for the meter fee. Assistant to the City Manager Murphy said she would check into that fee amount.

Mayor Begun opened the public hearing at 8:29 p.m. Paul Pelkey commented on the vehicle storage fee, saying other charges are added to that amount, including a towing fee, mileage, etc. The public portion of the hearing was closed at 8:30 p.m.

There was no further Council discussion prior to the following action being taken:

**ACTION:** Council Member Norton moved, seconded by Council Member Storey, to adopt **Resolution No. 3756, Resolution Repealing Resolutions No's. 3703, 3728, 3733, and 3739 and Amending the City's Fee Schedule to Increase Various City Fees Either by the Consumer Price Index or by Actual Cost of the Service and to Add New Fees**, 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. Public Hearing to Consider Applications to State of California Community Development Block Grant (CDBG) Program for Two Planning and Technical Assistance Grants of \$35,000 each, and Adopt Resolutions Approving Applications for the Strategic Re-Visioning Plan for the 41<sup>st</sup> Avenue/Capitola Mall Area and the Green Economy/Carbon Footprint Study. Presentation: Community Development Department. [700-10]**

Community Development Director Goldstein summarized the written agenda report and responded to questions of council members. He clarified that the funding for the city's share is available in the General Plan Fund.

Mayor Begun opened the public hearing at 8:35 p.m. Community Development Director Goldstein stated that if anyone wished to comment on this item, they were requested to sign the Special Sign-In Sheet for this CDBG hearing.

Seeing no one, the public portion of the hearing was closed.

**ACTION:** Council Member Norton moved, seconded by Council Member Nicol, to take the following recommended actions:

1) Adopted **Resolution No. 3757, Resolution Approving an Application for Funding and the Execution of a Grant Agreement and any Amendments thereto from the Planning and Technical Assistance Allocation of the State Community Development Block Grant (CDBG) Program for the Strategic Re-Visioning Plan for the 41<sup>st</sup> Avenue/Capitola Mall Area**, as submitted, thereby approving \$8,750 from the General Plan Maintenance Fee Fund to be used as the Cash Match, and

## 4. C. PUBLIC HEARINGS (Continued)

2) Adopted **Resolution No. 3758, Resolution Approving an Application for Funding and the Execution of a Grant Agreement and any Amendments thereto from the Planning and Technical Assistance Allocation of the State Community Development Block Grant (CDBG) Program for the Green Economy/Carbon Footprint Study**, as submitted, thereby approving \$8,750 from the General Plan Maintenance Fee Fund to be used as the Cash Match.

Paul Pelkey came up to the podium after the motion and second were made. He commented on the Green Economy/Carbon Footprint and asked if this was for an EIR (Environmental Impact Report). Council Member Norton said it was for a Green Economy/Carbon Footprint Study.

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

## 5. OTHER BUSINESS

## A. Adoption of the Final 2009/2010 Fiscal Year City Budget. [330-05]

Interim Finance Director Comstock summarized the written agenda report and said staff was pleased to present a balanced budget for the 2009/10 Fiscal Year. He and Assistant to the City Manager Murphy responded to questions of Council Members.

At 8:43 p.m., Mayor Begun asked if anyone from the public wished to address this item.

Paul Pelkey commented on the budget and asked about how much employees and council members are paid.

Glenn Hanna said he was not sure what the Redevelopment Agency Directors did when he asked about the interagency loan at the Redevelopment Agency meeting; so he is not sure whether the budget the council is about to approve has the approximately \$25,000 to \$28,000 worth of interest income in it.

Mayor Begun informed Mr. Hanna that it was stated in the proposed budget, and that the RDA Executive Director Hill was asked to reply to Mr. Hanna's question and present that response at the next agency meeting.

Council Member Graves asked about Exhibit A-2, stating that the Community Grant figure of \$261,250 doesn't match the Agenda Report figure on page 1, paragraph 4 of \$275,000. He went on to express concern that the figures in Exhibit A-1 do not reflect the council's direction.

Assistant to the City Manager Murphy responded to his concerns and said all changes included in the "Discussion" portion of the agenda report would be incorporated into the final resolution and budget document. She said the Community Grant Funding would be \$275,000.

Council discussion was followed by this action:

**ACTION:** Council Member Nicol moved, seconded by Council Member Graves, to adopt **Resolution No. 3759, Resolution of the City Council of the City of Capitola Adopting the 2009/10 Fiscal Year City Budget**, with changes itemized in the "Discussion" portion of the written Agenda Report. The motion carried on the following vote: AYES: Council Members Graves, Storey, Nicol, Norton, and Mayor Begun. NOES: None. ABSENT: None. ABSTAIN: None. (NOTE: Council Member Storey abstained from voting on Agenda Report Item 4, Restore Community Grant Funding to the FY08-09 level of \$275,000, due to a conflict of interest.)

## 5. OTHER BUSINESS (Continued)

**B. Set Public Hearing Date to Consider Request from the Residents of Pacific Cove Mobile Home Park to Purchase the Site from the City. [260-10]**

Community Development Director Goldstein said this was one of the City Council's goals and staff is bringing it forward for the purpose of scheduling a date for a hearing to consider the request by the Pacific Cove Mobile Home Park residents to purchase the park.

Sean Miller, President of the Pacific Cove Mobile Home Park Homeowners' Association, expressed concern about notification regarding this agenda item. He said they want to meet with the council regarding the HOA's interest in purchasing the park, but they are not ready for a public hearing.

Mayor Begun commented on the Traffic & Parking Commission, which will be meeting in July. He said the commission will be making a recommendation to the council and this is a key element.

Ann Schroedel, Secretary of the Pacific Cove Mobile Home Park HOA, said they would like following items considered before the Council schedules a date for the hearing: 1) to receive a response from the city regarding to their written request on whether the city would be willing to sell the entire park; 2) to see the recommendations of the Planning Commission regarding possible closure of Surf & Sand Mobile Home Park presented to the City Council for a hearing, as the outcome of their closure proceedings will affect how Pacific Cove residents will be treated by the city; and 3) to resolve an apparent conflict of interest on the part of some of the council members regarding the sale of the mobile home park prior to giving their presentation.

Considerable Council discussion was followed by this action:

**ACTION:** Council Member Graves moved, seconded by Council Member Norton, to schedule a Public Hearing at the Regular Meeting of the City Council to be held on Thursday, July 23, 2009, to consider a request by the residents of Pacific Cove Mobile Home Park to purchase the site and make a decision. The motion carried on the following vote: AYES: Council Members Graves, Norton, and Mayor Begun. NOES: Council Members Storey and Nicol. ABSENT: None. ABSTAIN: None.

**C. Emergency Fiscal Assessment and Response Plan. [120-10 Goal Setting]**

City Manager Hill summarized the written agenda report and responded to questions of council members concerning the Emergency Fiscal Assessment and Response Plan.

The council received public comments and suggestions from Glenn Hanna pertaining to the Emergency Fiscal Assessment and Response Plan.

Council discussion was followed by this action:

**ACTION:** Council Member Norton moved, seconded by Council Member Storey, to accept the Emergency Fiscal Assessment and Response Plan, as with amendment to the suggested corrected measures; i.e., "the following measures, among others that may come up, may be taken." 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. Nomination of Supervisor Mark Stone to the California Coastal Commission, Central Coast Region. [430-10]**

Council Member Nicol commented that he spoke to Mark Stone, and Mark told him that he is going to swim the English Channel.

**ACTION:** Council Member Graves moved, seconded by Council Member Storey, to direct staff to send a letter to Karen Bass, Speaker of the Assembly, supporting the County Board of Supervisors' nomination of Supervisor Mark Stone to the California Coastal Commission, Central Coast Region. The motion carried on the following vote: AYES: Council Members Graves, Storey, Nicol, and Norton. NOES: Mayor Begun. ABSENT: None. ABSTAIN: None.



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| 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 Request by Wharf to Wharf Race, Incorporated, for a Special Event Permit, Entertainment Permit, Encroachment Permit, and Sign Permit for the 37<sup>th</sup> Annual Wharf to Wharf Foot Race to be held on Sunday, July 26, 2009, and Request for a Grant of all Permits, Police and Public Works Fees in the amount of \$8,855. [1050-70]**

Council Member Nicol recused himself due to conflict of interest reasons; he is the Executive Director of Wharf to Wharf Race, Incorporated.

Capitola Police Annuitant Officer Brian Martin summarized the written agenda report and responded to questions of Council Members.

Kate Arrieta said the Wharf to Wharf Race is a good event for the city, because it is a quick event and does not impact the city over a long period of time. Ms. Arrieta said the reason she pulled this item was because she was surprised to learn Wharf to Wharf, Inc. has a million dollars in reserves, yet they are requesting a waiver of permit fees. She wondered if they got the fees waived in Santa Cruz.

Carin Hanna said Wharf to Wharf should do the right thing and give the money back to the city. She also suggested that the city consider giving the money to the Chamber to provide for someone to man the visitor kiosk in the Village this summer.

Glenn Hanna commented on the Mid County Post article which contained the annual report of Wharf to Wharf, Inc. He said this is not a policing or personality issue, it is a fiscal issue, an issue of equity and fairness. Mr. Hanna said they are asking for a grant of over \$8,000; yet they have the funds. He suggested the city consider their balance sheet and reasonably consider each application when grants are requested.

Considerable Council discussion was followed by this action:

**ACTION:** Council Member Storey moved to approve the recommended action as follows:

1. Approved the Special Event Permit, including Entertainment, Sign and Encroachment Permits for the 37<sup>th</sup> Annual Wharf to Wharf Race to be held on Sunday, July 26, 2009, from 5 a.m. to 12 p.m., as requested; and
2. Provided Wharf to Wharf, Incorporated, with a City Grant in the amount of \$8,855, as requested.

In addition to the recommended action, Council Member Storey included the following in his motion:

3. Directed staff to bring back the Special Event Application form that is used for Council review. The council will review it and determine if there is any additional information the city would want to collect as part of the application and establish criteria about when grants will be provided for organizational events; and
4. Directed staff to extend a request to the Wharf to Wharf organization to pay the grant funds back to the city. Council Member Storey suggested perhaps the city could ask for a grant from them after the event is done.

Council Member Norton seconded the motion.

There was additional discussion of the motion prior to the vote on the motion being taken. The motion carried on the following vote: AYES: Council Members Graves, Storey, and Norton. NOES: Mayor Begun. ABSENT: None. ABSTAIN: None. DISQUALIFIED: Council Member Nicol.

**6. COUNCIL/STAFF COMMUNICATIONS**

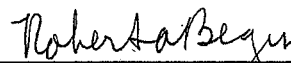
Council Member Graves commented on a letter he received regarding a visibility problem at the entrance to Capitola Pines. He asked where Capitola Pines is located and for more information so he can respond to the letter.

Mayor Begun said he received a call from a resident at the 850 Rosedale Avenue Apartments informing him that they received a notice from the management about trees being removed the next day. Mayor Begun went to the site the next morning and learned that a tree removal permit was issued by the city. He expressed concern about noticing this and would like to know whose responsibility it is to notice removal of trees. City Manager Hill said he would check the city's regulations pertaining to tree removal and report back to the council.

Council Member Norton encouraged everyone to Shop Local.

**7. ADJOURNMENT**


The City Council adjourned at 10:25 p.m. to a Special Meeting to be held at 6:00 p.m., on Thursday, June 18, 2009, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.



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Robert A. Begun, Mayor

ATTEST:



\_\_\_\_\_, MMC  
Pamela Greeninger, City Clerk

**MINUTES UNANIMOUSLY APPROVED BY THE CITY COUNCIL ON JULY 9, 2009**