

November 24, 2009
 Capitola, California

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

**5:15 P.M. - CLOSED SESSION - CITY MANAGER'S OFFICE
 CAPITOLA REDEVELOPMENT AGENCY & CITY COUNCIL**

At 5:20 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: 2091 Wharf Road, APN 034-241-05
 City Negotiator: Rich Hill, City Manager
 Owner: Joseph K. and Debbie A. Genge
 Under Negotiation: Purchase of Property by City

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

Properties:
 426 Capitola Avenue, Sp. 41, APN 035-141-33, Owner: Jesus Garcia
 426 Capitola Avenue, Sp. 64, APN 035-141-33, Owner: Edward Maghakian, Jr.
 426 Capitola Avenue, Sp. 66, APN 035-141-33, Owner: Tracy Conklin
 426 Capitola Avenue, Sp. 67, APN 035-141-33, Owner: Christine Sigel
 426 Capitola Avenue, Sp. 82, APN 035-141-33, Owner: Cathy Sutton
 City Negotiator: Rich Hill, City Manager
 Under Negotiation: Purchase of Property by City

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

Surf and Sand, LLC vs. City of Capitola
 Vieira Enterprises vs. City of Capitola (Cabrillo Mobile Estates)
 Los Altos/El Granada Investors vs. City of Capitola (Castle Mobile Estates)

CONFERENCE WITH LABOR NEGOTIATOR (Govt. Code §54957.6)

Negotiator: Rich Hill, City Manager
 Employee Organizations: Association of Capitola Employees, Confidential Employees, Mid-Management Group, City Manager, Community Development Director, and Public Works Director

LIABILITY CLAIMS (Govt. Code §54956.95)

Claimant: Surf and Sand, LLC, c/o Ronald Reed

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 5:21 p.m. to the Closed Session in the City Manager's Office.

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 7:55 p.m. on Tuesday, November 24, 2009, 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: None

OTHERS: City Treasurer Jacques Bertrand

STAFF: City Manager Rich Hill, Deputy City Attorney Celestial Cassman, Community Development Director Jamie Goldstein, Interim Chief of Police Ehle, Public Works Director Steve Jesberg, Assistant to the City Manager Lisa Murphy, and City Clerk Pamela Greeninger

***** PRESENTATIONS *****

**Certificates of Appreciation to
Pamela Greeninger, City Clerk, and
Cary Oyama, Maintenance Worker,
for Thirty Years of Service to the City of Capitola [120-40]**

Mayor Begun announced that Cary Oyama was unable to attend tonight's meeting to receive his certificate and recognition for 30 years of service to the City.

Mayor Begun then called City Clerk Pam Greeninger forward and presented her with a Certificate of Appreciation for Thirty years of Service to the City of Capitola, from November 7, 1979, to November 7, 2009, in the capacities of Secretary, Secretary to the City Manager, Secretary to the City Attorney, Records Coordinator, and City Clerk.

City Clerk Greeninger thanked the mayor and council members for the recognition. She said it just does not seem as though it has been thirty years. She feels fortunate to be able to live and work in such a wonderful community as Capitola. She commented on the various positions she has held during that time and said the work has been challenging and rewarding. City Clerk Greeninger pointed out that her husband, Stewart, and her son, Chris, were in the audience. She thanked her husband for his support of her career throughout the years and for putting up with the late meetings. She also thanked her son for being present.

City Manager Hill complimented and thanked Pam for the many things she does for the City relating to Council meetings, committee recruitment, etc.

Council Member Norton noted that Pam runs all the city elections and has done a good job. He also expressed appreciation for the work she does for him as an elected official, particularly in terms of his reporting requirements, and he thanked her for her service.

**2-1-1 Telephone Information and Referral System
Presented by Mary Lou Goeke, Executive Director
of United Way of Santa Cruz County [420-30/150-70]**

Robert Hallbauer, representing United Way, led the presentation on the 2-1-1 Telephone Information and Referral System. He said the number resembles 911, but for non-emergency situations. Using a PowerPoint Presentation he reviewed the services available to people calling 211. *(A paper copy of the PowerPoint Presentation is on file.)*

Mary Lou Goeke, Executive Director of United Way of Santa Cruz County, said 211 would be available 24 hours-a-day and would also be available in a disaster. She discussed the HELPLINK system in San Francisco that could assist Santa Cruz County in obtaining the 211 system and explained the cost to access the system. She discussed United Way's interest in providing this information to the various jurisdictions in the county and to look at potential funding partners and a formula for sharing the annual cost for the system. She thanked the City Council for this opportunity to discuss 211. Following her presentation, Ms. Goeke responded to questions of Council Members regarding the anticipated roll-out date, what sources of funding United Way is seeking, etc. She provided each council Member with a packet of information regarding the 211 System.

1. REPORT ON CLOSED SESSION [520-25]

Deputy City Attorney Cassman reported that the Council Members met in Closed Session at approximately 5:25 p.m. and all members were present. She said the Council received updates and discussed two cases under Existing Litigation: Surf and Sand, LLC, vs. City of Capitola, and Los Altos/El Granada Investors vs. City of Capitola (Castle Mobile Estates). No reportable action was taken in Closed Session on those items. She said the council did not discuss Vieira Enterprises vs. City of Capitola (Cabrillo Mobile Estates).

Deputy City Attorney Cassman announced that the Council briefly discussed the Claim of Surf and Sand, LLC, c/o Ronald Reed, which is on the City Council's Consent agenda. No reportable action was taken in Closed Session.

Deputy City Attorney Cassman also announced that the City Council/Redevelopment Agency adjourned the Closed Session to an Adjourned Closed Session to be held on Tuesday, December 1, 2009, at 5:00 p.m. to discuss all other items listed on the Closed Session Agenda.

2. ORAL COMMUNICATIONS

A. Additions and Deletions to Agenda – None

B. Public Comments

Molly Ordning, Monterey Avenue, said she was representing the Capitola Village Residents' Association at tonight's meeting. She also wanted to join the whole community and the City Council in thanking Pam Greeninger for all her assistance and graciousness as City Clerk for Capitola.

C. Staff Comments

City Clerk Greeninger announced that the deadline for applications to serve on the Art & Cultural Commission is next Monday, November 30. She said recruitment is for terms that are expiring next month: 1 Artist or Arts Organization Representative, 1 Arts Professional, and 2 At-Large Members.

D. City Council/Treasurer Comments/Committee Reports

City Treasurer Bertrand said the Finance Advisory Committee is conducting a review of the city departments. At its last meeting the committee reviewed the Public Works Department, and Public Works Director Steve Jesberg gave a presentation. At its next meeting Housing and Redevelopment Project Manager David Foster will be providing information regarding the city's Housing Programs.

City Treasurer Bertrand said the committee changed an earlier recommendation it made regarding Pacific Cove Mobile Home Park, and they have agreed to support the recommendation of the City Manager to make that a department, so that all the expenses and revenues related to Pacific Cove will be put in the budget as a separate department.

City Treasurer Bertrand announced that the Finance Advisory Committee meets the second Tuesday of each month at 6:30 p.m. in the City Hall Community Room and the next meeting will be held in January.

E. Committee Appointments – None

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

Staff responded to questions of Council Members regarding several checks. Council discussion was followed by this action:

ACTION: Council Member Norton moved, seconded by Council Member Storey, to approve the Check Register Report dated November 6 and 13, 2009, including checks numbered 61601 through 61658 in the amount of \$91,756.47 and checks numbered 61659 through 61699 in the amount of \$47,160.03, respectively; and payroll disbursements for the November 6, 2009, payroll in the amount of \$189,400.81, for a Grand Total of \$328,317.31, 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. Mayor Begun said he had questions on two items; one relating to Item 3.F. and one relating to Item 3.H. The discussion took place prior to action on the Consent Calendar. *(See discussion under those items.)*

CONSENT CALENDAR ACTION: Council Member Norton moved, seconded by Council Member Storey, to approve the Consent Calendar as recommended. 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 – Minutes of the Special Joint Meeting of the City Council/Redevelopment Agency of November 4, 2009.**

ACTION: Council Member Norton moved, seconded by Council Member Storey, to approve the Minutes of the Special Meeting of the City Council/Redevelopment Agency of November 4, 2009, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Storey, Nicol, and Mayor Begun. NOES: None. ABSENT: None. ABSTAIN: Council Member Norton.

- C. Adopt Resolution Establishing Days for Closure of City Offices during the 2010 Calendar Year. [630-10]**

ACTION: Council Member Norton moved, seconded by Council Member Storey, to adopt **Resolution No. 3787, Resolution Establishing Days for Closure of City Offices During the 2010 Calendar Year**, 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.

- D. Receive the 2010 City Meeting Schedules for the City Council/Redevelopment Agency and the Planning Commission/Architectural and Site Review Committee and Direct Staff to Distribute the Schedules Accordingly. [520-40]**

ACTION: Council Member Norton moved, seconded by Council Member Storey, to receive the 2010 City Meeting Schedules for the City Council/Redevelopment Agency and the Planning Commission/ Architectural and Site Review Committee as an informational item, as submitted, and directed staff to post this information at City Hall, the Capitola Branch Library, on the City's website, and to provide copies to City staff, newspapers, and various groups who regularly submit items to the City. 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 the Proposed Administrative Policy Pertaining to Distribution of Tickets and Passes to Public Officials. [Administrative Policy Binder]**

ACTION: Council Member Norton moved, seconded by Council Member Storey, to approve the Administrative Policy entitled, "Distribution of Tickets and Passes", 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 (Continued)

F. Receive City Treasurer's Report for the Month Ended October 31, 2009 (Unaudited). [380-30]

Prior to action being taken on the Consent Calendar, Mayor Begun asked why the City has more cash this year than last. City Manager Hill said that is due to the City Council's quick response and actions to the fiscal crisis, including employee furloughs, hiring freeze, and early retirements. He also said the state board of Equalization had withheld about \$400,000 from the City for last fiscal year, and it was returned this fiscal year.

ACTION: Council Member Norton moved, seconded by Council Member Storey, to accept the City Treasurer's Report for the Month Ended October 31, 2009 (Unaudited), 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.

G. Deny Claim of Surf and Sand, LLC, c/o Ronald A. Reed, in the Amount of \$33,930 and Forward the Claim to the City's Liability Insurance Carrier. [Claims Binder]

ACTION: Council Member Norton moved, seconded by Council Member Storey, to deny the claim of Surf and Sand, LLC, c/o Ronald A. Reed, in the amount of \$33,930 and forward the claim to the City's Liability Insurance Carrier. The motion carried on the following vote: AYES: Council Members Graves, Storey, Nicol, Norton, and Mayor Begun. NOES: None. ABSENT: None. ABSTAIN: None.

H. Adopt Resolution to Apply for Energy Efficiency and Conservation Block Grant (EECBG) Funding through the California Energy Commission to Retrofit Street Lights with Energy Saving Fixtures. [940-55]

Prior to action being taken on the Consent Calendar, Mayor Begun commented that it looks as though it will take 13-14 years to get the City's money back to implement this program. Public Works Director Jesberg said it is not the City's money; it is a state grant. Council Member Graves then asked what type of fixtures would be used. Public Works Director Jesberg said an induction fluorescent lighting system will be used, using half the wattage of the current fixtures and lasting longer.

City Treasurer Bertrand said he understands the City owns some lights and PG&E owns others. Public Works Director Jesberg said the City's fixtures will be replaced.

ACTION: Council Member Norton moved, seconded by Council Member Storey, to approve the recommended actions as follows:

1. Approved the Findings that the project to retrofit existing street lights with energy efficient bulbs is exempt from CEQA pursuant to CEQA Guidelines section 15301 class 1(a); and
2. Adopted **Resolution No. 3788, Resolution Approving a Grant Application with the California Energy Commission for Funds to Retrofit Street Lights with Energy Saving Fixtures**, 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.

I. Adopt Resolution Amending Resolution No. 3700 which Set the FY 2008-09 Appropriations Limit and Resolution No. 3754 which Set the FY 2009-10 Appropriations Limit Pursuant to Article XIII B of the California Constitution, as Recommended by the City's Auditors, Teaman, Ramirez and Smith. [330-05]

3. I. CONSENT CALENDAR (Continued)

ACTION: Council Member Norton moved, seconded by Council Member Storey, to adopt **Resolution No. 3789, Resolution Amending Resolution No. 3700 which Set the FY 2008-09 Appropriations Limit and Resolution No. 3754 which Set the FY 2009-10 Appropriations Limit Pursuant to Article XIII B of the California Constitution**, 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.

4. PUBLIC HEARINGS

A. Public Hearing to Consider an Ordinance to Amend the City's Municipal Code to Ban Smoking on the Esplanade, Stockton Bridge, the Capitola Wharf, and on Certain Publicly Owned Property. [1st Reading] Presentation: Community Development Department. [460-70]

Community Development Director Goldstein summarized the written agenda report utilizing a PowerPoint Presentation and responded to questions of Council Members. The City Council heard from several members of the public regarding this item.

Considerable Council discussion was followed by this action:

ACTION: Council Member Norton moved, seconded by Council Member Storey, to approve the recommended action to pass the proposed Ordinance Amending Municipal Code Sections 8.38.030 and 8.38.050, and Adding Section 8.38.055 to the Capitola Municipal Code Pertaining to Smoking Regulations to a second reading, as written, thereby approving the Findings that the proposed project is exempt from CEQA pursuant to CEQA Guidelines Section 1530 (c).

There was further discussion of the motion and response from Interim Chief of Police Ehle regarding enforcement of the ordinance.

Mayor Begun suggested that if this ordinance passes the Police Department report back to the Council in six months.

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

5. OTHER BUSINESS

At 9:37 p.m., Mayor/Chairperson Begun announced that the following item is a Joint Meeting of the City Council/Redevelopment Agency. He noted that all members of the City Council/ Redevelopment Agency were present.

**JOINT MEETING OF THE CITY COUNCIL/
REDEVELOPMENT AGENCY**

A. Approval of the City's Five-Year Capital Improvement Program (CIP) for FY 2009/2010 through FY 2013/2014 and Adoption of Resolutions Incorporating the CIP into the City and Redevelopment Agency Budgets. Staff recommendation: Adopt City Council and Agency Resolutions. [320-30]

Public Works Director Jesberg summarized the written agenda report and provided an overview of the 2009-10 Funded Projects using a PowerPoint Presentation. He commented on various projects that were deferred due to budget cuts and responded to questions of Council Members/Agency Directors.

5. A. OTHER BUSINESS (Continued)

The following actions were taken following Council Member/Redevelopment Agency Director discussion:

City Council Action:

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to adopt **Resolution No. 3790, Resolution Adopting the 2009/2010 through 2013/2014 Capitola Improvement Program**, as submitted, with direction to staff to complete a Pavement Management Program Update at a cost of \$10,000. The motion carried on the following vote: AYES: Council Members Graves, Storey, Nicol, Norton, and Mayor Begun. NOES: None. ABSENT: None. ABSTAIN: None.

Redevelopment Agency Action:

ACTION: Director Norton moved, seconded by Director Graves, to adopt **Agency Resolution No. 2009-10, Resolution Amending the FY 2009/2010 Agency Budget for Capitola Improvements**, as submitted. The motion carried on the following vote: AYES: Directors Graves, Storey, Nicol, Norton, and Chairperson Begun. NOES: None. ABSENT: None. ABSTAIN: None.

Following the Joint Meeting of the City Council/Redevelopment Agency, the Capitola Redevelopment Agency adjourned at 10:06 p.m. to its next regular meeting to be held on Thursday, December 10, 2009.

B. Consideration of City Council Letter of Support for the Santa Cruz County Board of Supervisors' Appointment of Patricia Spence to the Metropolitan Transit District (METRO) Board of Directors. [1170-30]

Council Member Graves said he placed this item on the agenda for Council determination.

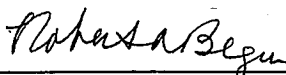
Council discussion was followed by this action:

ACTION: Council Member Nicol moved, seconded by Council Member Graves, to commend Pat Spence for her prior service on the METRO Board, and to approve the draft letter for the Mayor's signature in support of the Santa Cruz County Board of Supervisors' appointment of Patricia Spence to the Metropolitan Transit District (METRO) Board of Directors. The motion carried on the following vote: AYES: Council Members Graves, Nicol, and Mayor Begun. NOES: Council Member Storey and Norton. ABSENT: None. ABSTAIN: None.

6. **COUNCIL/STAFF COMMUNICATIONS – None**7. **ADJOURNMENT**

The City Council adjourned at 10:17 p.m. to an Adjourned Joint City Council/Redevelopment Agency Closed Session to be held on Tuesday, December 1, 2009, at 5:00 p.m. in the City Manager's Office, and then to its next Regular Meeting to be held on Thursday, December 10, 2009, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

ATTEST:  MMC
Pamela Greeninger, City Clerk


Robert A. Begun, Mayor