

August 12, 2010
 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 5:18 p.m. in the City Hall Council Chambers, Mayor/Chairperson Storey 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 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)
 Karine Karczewski vs. City of Capitola
 Michael Urquhart vs. City of Capitola
 City of Capitola vs. Soquel Union Elementary School District

CONFERENCE WITH LABOR NEGOTIATOR (Govt. Code §54957.6)

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

The following item was added to the Closed Session Agenda by Addendum Posted 8/9/10:

CONFERENCE WITH LEGAL COUNSEL ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Government Code Section 54957.6 (One Case): Macquarie Bank vs. City of Capitola (Capitola Villas)

Mayor/Chairperson Storey asked if anyone in the audience wished to address the Council/Directors regarding items on the Closed Session agenda.

Lynette Hamby, President of the Soquel Union Elementary School District Board, wished to personally, and on behalf of their board, recognize the spirit of cooperation by the school board and the city council, as well as the city manager and the superintendent, with respect to the effort that was made on the process of mediation during the last two days. She believes the parties have reached an agreement that can work for both parties. Ms. Hamby presented two copies of the agreement signed by the school district which she will leave with the council for execution by the city.

Ms. Hamby said she has spoken to Mayor Storey regarding a minor correction of a date. Mayor Storey thanked Council Member Graves for catching that minor error. Mayor Storey also wanted to thank the school district members and district staff for working with the City to mediate this matter, saying it was an intensive two days of hard work, but he feels the mediation with Judge Stevens was a success, and the council will now go into Closed Session to have final consideration of the agreement and take action on it.

At 5:22 p.m. the City Council/Redevelopment Agency recessed to the Closed Session in the City Manager's Office.

CAPITOLA REDEVELOPMENT AGENCY (See Redevelopment Agency Minutes)

REGULAR MEETING OF THE CITY COUNCIL

Mayor Storey called the Regular Meeting of the City Council to order at 8:35 p.m. on Thursday, August 12, 2010, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

ROLL CALL AND PLEDGE OF ALLEGIANCE

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

ABSENT: None

OTHERS: City Treasurer Jacques Bertrand

STAFF: City Manager Jamie Goldstein, City Attorney John G. Barisone, Community Development Director Derek Johnson, Chief of Police Michael Card, Assistant to the City Manager Lisa Murphy, and City Clerk Pamela Greeninger

***** PRESENTATIONS *****

**Certificate of Appreciation to the Capitola City Council for its
Support in Encouraging Capitola Residents to Participate in the
2010 Census by Karen Mallory of the U.S. Census Bureau [120-40]**

Karen Mallory said she was here to convey thanks to the Council for its endorsement of the 2010 Census and to present the City Council with a Certificate of Appreciation for its Partnership in the 2010 Census and in grateful recognition of the City's valuable service and support. She also submitted a letter from Ralph J. Lee, Regional Director of the Seattle Regional Census Center. Ms. Mallory said the city helped to ensure a complete and accurate census count in 2010, and she was pleased to report that 71% of Capitola residents responded. She also informed the Council that the Census was accomplished approximately \$1.6 Billion under budget.

Mayor Storey thanked Ms. Mallory for the recognition and the plaque.

1. REPORT ON CLOSED SESSION [520-25]

City Attorney Barisone advised that the City Council/Redevelopment Agency met in Closed Session at approximately 5:15 p.m. in the City Manager's Office on the items listed on the City Council/Redevelopment Agency's posted agenda and the one item of Anticipated Litigation on the Addendum to Agenda posted on August 9, 2010. City Attorney Barisone said all members were present, as were the city manager and the city attorney. Mr. Barisone reported on the items discussed as follows:

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

City Attorney John Barisone said the City Council/Redevelopment Agency Directors received status reports and had brief discussions pertaining to the following matters of existing litigation, but took no reportable action in Closed Session:

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)

Karine Karczewski vs. City of Capitola – This tort claim was not discussed in Closed Session.

Michael Urquhart vs. City of Capitola - The City Council had a brief discussion concerning the Urquhart tort claim in Closed Session. City Attorney Barisone said this matter is on the consent calendar agenda for denial.

1. REPORT ON CLOSED SESSION (Continued)

City of Capitola vs. Soquel Union Elementary School District – City Attorney Barisone provided a comprehensive report pertaining to the CEQA lawsuit which the City filed in May of this year concerning the Soquel Union Elementary School District's approval of an Opal Cliffs Public Works Plan, which was a master plan for the Jade Street Park property owned by the school district. He discussed the mediation process that took place during the past two days, with Judge Samuel Stephens serving as mediator. City Attorney John Barisone announced that the mediation resulted in a settlement which was approved by the school district yesterday and by the City Council today. He reviewed the key points of the settlement agreement and stated that a copy of the document executed by the school district and the city would be available for public review. An electronic copy will be available on the city's website at www.ci.capitola.ca.us.

City Attorney Barisone reported that the vote on the Settlement Agreement was unanimous; however, Council Member Nicol had to recuse himself from participating in this process due to the fact that he owns property within 500 feet of the park property.

Due to lack of time, there was no discussion on the following items in Closed Session:

CONFERENCE WITH LABOR NEGOTIATOR - Negotiator: Jamie Goldstein, City Manager
Employee Organizations: Association of Capitola Employees, Confidential Employees, Mid-Management Group, Community Development Director, and Public Works Director

CONFERENCE WITH LEGAL COUNSEL ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Government Code Section 54957.6 (One Case): Macquarie Bank vs. City of Capitola (Capitola Villas)

2. ORAL COMMUNICATIONS

A. Additions and Deletions to Agenda - None

B. Public Comments

1) Ruby Nelson, citizen of Santa Cruz County, read letters from people who were not able to attend the meeting voicing continued opposition to the installation of SmartMeters. She also said a woman from Fresno was waiting to speak but had to leave, and she wanted to inform the council of the increased cost for PG&E after the SmartMeter was installed at her home in Fresno. Ms. Nelson also read an email to the council from Dr. Glen Chase regarding installation of SmartMeters and actions taken by other jurisdictions, including an Ordinance from the City of Fairfax, and information about the City of Watsonville joining the moratorium and EMF Safety Network petition. In closing, Ms. Nelson said someone else would begin reading the City of Fairfax ordinance to the Council.

Council Member Norton informed Ms. Nelson that the council members received a copy of the Fairfax ordinance.

Mayor Storey asked about the legality of the City of Fairfax ordinance. City Attorney Barisone commented that he has looked at their ordinance, and his immediate reaction was that we are preempted by state law from regulating in this area. He said Ms. Nelson commented on a franchise agreement Fairfax has with PG&E that gives them some unique rights. He is not sure that is true in Capitola.

2. B. 1) ORAL COMMUNICATIONS (Continued)

Lois Drabin began reading the City of Fairfax ordinance into the record (*a copy of Urgency Ordinance No. 752 adopted by the Fairfax City Council on the 4th day of August, 2010, is on file.*)

Marilyn Garrett commented on action taken by the Watsonville City Council. She believes what PG&E is doing is dictatorial. She then continued to read the City of Fairfax ordinance.

An unidentified woman continued reading the Fairfax ordinance

Susan Wallace said she spoke to the woman from Fresno whose electricity went up \$150 a month. She explained the importance of this matter and continued to read the City of Fairfax ordinance.

Mayor Storey asked staff to come back to the council if there is an update on PG&E's implementation activities in Capitola and to follow up follow up on the council's decision to join the petition to the PUC moratorium. He also request staff get information from the City of Fairfax on their authority to pass such an ordinance and what their enforcement strategies have been to date. Mayor Storey requested a report back at a future council meeting. **[565-30]**

2) Gary Richard Arnold discussed the cameras that were installed on 41st Avenue to prevent people from speeding and driving through red lights. He went on to discuss American Traffic Solutions, the company the city contracts with for the red lights, and he expressed concerns about the company setting traps to raise revenue for their company. Mr. Arnold said if the city is interested in the safety of the people on 41st Avenue, it would add another second or so to the yellow light for traffic entering the shopping center street and would change the speed limit from 35 to 30 miles per hour on 41st Avenue. He commented on the high cost of the tickets. **[490-20]**

Council Member Norton said he believes we should make the speed limit 25 mph on 41st Avenue.

An unidentified woman commented on her experience with the red light enforcement camera, and she, too, believes it is a trap. She would like to see it removed.

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

1) Council Member Graves commented that AMBAG would be having an important meeting on September 23, 2010, that he will not be able to attend. He asked staff to notify AMBAG to forward information about that meeting to his alternate, Council Member Norton. **[150-10]**

2) Mayor Storey announced that as Mayor of the City of Capitola he has signed a proclamation in recognition of Sea Otter Awareness Week, to be held September 26 to October 2, 2010. He then read the proclamation. **[120-40]**

3) City Treasurer Bertrand commented on the Finance Advisory Committee meeting held on Tuesday, August 10. He said the committee had the pleasure of talking with the new city manager, Jamie Goldstein. Mr. Bertrand said the committee is re-examining how the committee conducts its business and interacts with the city council. That issue will be carried over to the next meeting which will be held on September 14 at 6:30 p.m. in the Community Room at City Hall.

E. Committee Appointments1) **Appointment of Youth Member to the Commission on the Environment.**
[430-05]

City Clerk Greeninger summarized the written agenda report.

2. E. 1) Committee Appointments (Continued)

Limited council discussion was followed by this action:

ACTION: Council Member Nicol moved, seconded by Council Member Norton, to approve the recommendation of the Commission on the Environment and appointed Kate Wenzel Sylvan as the Youth Member on the Commission on the Environment to fill the unexpired term ending December 2010. The motion carried unanimously.

Mayor Storey wished to formally thank Kyle Cohen, Amelia Eckhardt, and Jake Ryan for applying to serve on the Commission on the Environment.

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

Mayor Storey asked if there were any questions on the check register report. There were none.

ACTION: Council Member Norton moved, seconded by Council Member Nicol to approve the Check Register Reports dated July 16, 23 and 30, 2010, including checks numbered 63679 through 63739 in the amount of \$128,890.21, checks numbered 63740 through 63816 in the amount of \$303,932.93, and checks numbered 63817 through 63886 in the amount of \$99,743.27, respectively; and payroll disbursements for the July 16 and 30, 2010, payrolls in the amount of \$235,770.48 and \$238,815.90, respectively; for a Grand Total of \$1,007,152.79, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Norton (*with the exception of Check #63787 to Santa Cruz Regional 911*), Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None.

3. **CONSENT CALENDAR**

Mayor Storey 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 Graves voiced his abstention from Item 3.F. due to a conflict of interest, in that his residence is within 500 feet of the Beulah house property. He also commented on Item 3.J. regarding the letter from the Office of Traffic Safety to Sergeant Matt Eller pertaining to an announcement of this grant award.

CONSENT CALENDAR ACTION: Council Member Norton moved, seconded by Council Member Nicol, to approve the Consent Calendar as recommended. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. 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 Regular Meetings of July 8 and 22, 2010, and the Special Closed Session Meeting of August 2, 2010.**

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to approve the City Council Minutes of the Regular Meetings of July 8 and 22, 2010, and the Special Closed Session Meeting of August 2, 2010, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Norton, *Nicol, *Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: **Council Member Begun abstained from voting on the meeting of July 8, 2010, and Council Member Nicol abstained from voting on August 2, 2010, since they were absent from those meetings.*

3. CONSENT CALENDAR (Continued)

C. Receive Planning Commission Action Minutes for the Regular Meeting of August 5, 2010. [740-50]

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to receive the Planning Commission Action Minutes for the Regular Meeting of August 5, 2010, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None.

D. Accept Transient Occupancy Revenue Report for Fiscal Year Ended June 30, 2010. [390-70]

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to accept the Transient Occupancy Revenue Report for Fiscal Year Ended June 30, 2010 (unaudited), as submitted. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None.

E. Adopt Resolution Authorizing the City Manager to Submit Local Coastal Program Amendments to the California Coastal Commission for Certification contained in Ordinance No. 947 adopted June 10, 2010, which amended Municipal Code Sections 17.27.040, 17.27.060, and 17.27.120 pertaining to Allowed Uses and Parking in the CC (Community Commercial) Zoning District, Renumbering Section 17.03.247, Freeway to 17.03.248, and adding Sections 17.03.247 and 17.03.535 to define "Floor Area, Available for Dining" and "Restaurant." [740-30 LCP Amendment/730-85 Zoning Amendments General]

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to adopt Resolution No. 3827, Resolution Authorizing the City Manager to Submit Local Coastal Program Amendments to the California Coastal Commission for Certification, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None.

F. Accept the Beulah House Demolition as Complete at a Final Cost of \$17,963 and Authorize the Release of the Contract Retention of \$1,796.30 in 35 Days Following the Recordation of the Notice of Completion. [260-10/500-10 Wortman, Chris, Excavation]

Prior to action on the Consent Calendar, Council Member Graves voiced his abstention from Item 3.F. due to a conflict of interest, in that his residence is within 500 feet of the Beulah house property.

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to accept the Beulah House Demolition as complete at a final cost of \$17,963 and authorized the release of the contract retention of \$1,796.30 in 35 days following the recordation of the Notice of Completion, as submitted. The motion carried on the following vote: AYES: Council Members Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: Council Member Graves.

G. Approve Contracts for FY 2010-2011 for Professional Services related to the Administration of City Housing Programs with the Housing Authority of the County of Santa Cruz in an amount not to exceed \$18,300; and Goldfarb and Lipman in an amount not to exceed \$10,000. [500-10 A/C: Housing Authority of the County of Santa Cruz/Goldfarb and Lipman]

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

3. G. CONSENT CALENDAR (Continued)

1. Approved a contract with the Housing Authority of the County of Santa Cruz in an amount not to exceed \$18,300, as submitted; and
2. Approved a contract with Goldfarb and Lipman in an amount not to exceed \$10,000, as submitted.

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

H. Adopt Resolution Approving the Application for Grant Funds for the Sustainable Communities Planning Grant and Incentive Program under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84) in the amount of \$100,000 for the Proposed General Plan Sustainability Planning Program. [740-40]

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to adopt **Resolution No. 3828, Resolution Approving the Application for Grant Funds for the Sustainable Communities Planning Grant and Incentive Program Under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84) in the Amount of \$100,000 for the Proposed General Plan Sustainability Planning Program**, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None.

I. Deny Claim of Michael L. Urquhart and forward to the City's Liability Insurance Carrier. [Claims Binder]

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to deny the claim of Michael L. Urquhart and forward it to the City's Liability Insurance Carrier, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None.

J. Resolution Accepting a One-Year State Office of Traffic Safety (OTS) Grant in the amount of \$51,208 and Amending the FY10-11 Budget to Increase the OTS Revenue by \$51,208 and Police Expenditure by \$51,208 for Administration of a Speed Awareness and Child Safety Seat Grant. [485-10/330-10]

Prior to action on the Consent Calendar, Council Member Graves commented on the letter from the Office of Traffic Safety to Sergeant Matt Eller pertaining to an announcement of this grant award.

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to adopt **Resolution No. 3829, Resolution Accepting a One-Year State Office of Traffic Safety (OTS) Grant in the Amount of \$51,208 and Amending the FY 2010-1 Budget to Increase the OTS Revenue by \$51,208 and Police Expenditure by \$51,208 for Administration of a Speed Awareness and Child Safety Seat Grant**, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None.

4. PUBLIC HEARINGS

- A. **Public Hearing on Project Application #10-038, 809/815/819 Bay Avenue, to Consider Appeal of a Planning Commission Denial for a Proposed Amendment to a Master Use Permit (Nob Hill Center) to Relocate the Recycling Facilities on the Site Located in the CC (Community Commercial) Zoning District; APN: 035-021-43; Filed 5/18/10; Property Owner: Bay Creek Properties; Representative: Craig French. [730-10]**

ACTION: Council Member Graves moved, seconded by Council Member Nicol, to continue this Public Hearing to the next Regular Meeting of the City Council to be held on September 9, 2010. The motion carried unanimously.

5. OTHER BUSINESS

- A. **Art & Cultural Commission Public Art Project - Wharf Road Mural. [1010-10/500-10 A/C: Ton, John]**

Assistant to the City Manager Murphy said she would be introducing this item and letting Art & Cultural Commission members Mike Termini and Debbie Halle make the presentation.

Art & Cultural Commission Chairperson, Mike Termini, discussed the process for the Wharf Road Mural project and the art selection subcommittee.

Chair of the Art Selection Subcommittee, Debbie Hale, discussed the selection process, members of the subcommittee, and selection of the mural submitted by artist John Ton. A rendering of the mural was available for viewing at the meeting.

John Ton discussed the proposed mural and responded to comments of council members. Mr. Ton said he would appreciate an understanding on behalf of the council about his having some latitude in incorporating public ideas into the public art; such as putting a wagon in the picture, etc.

Council discussion was followed by this action:

ACTION: Council Member Nicol moved, seconded by Council Member Graves, to approve the Art & Cultural Commission Wharf Road Mural Public Art Project and the Professional Services Agreement between the City and Artist John Ton, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: Council Member Norton.

- B. **Report on Compliance of the City's Smoking Regulations Pertaining to Prohibition of Smoking in Outdoor Places. [460-70]**

Chief of Police Card summarized the written agenda report. Using the overhead projector, he showed pictures of the signs that have been installed in the Village informing people of the no smoking regulations. He said they have seen a reduction in smoking along the Esplanade. Warnings have been given, and a few citations have been issued.

Council Member Graves expressed concerns that we are over-signing. Council Member Nicol also commented on negative sign pollution.

Sandy Erickson said she loves this ordinance and that she appreciates the council's action to ban smoking. She thinks a big sign on the lifeguard stand would be nice.

5. B. OTHER BUSINESS (Continued)

Council discussion was followed by this action:

ACTION: Council Member Begun moved, seconded by Council Member Norton, to accept the Report on Compliance of the City's Smoking Regulations Pertaining to Prohibition of Smoking in Outdoor Places, as submitted. The motion carried unanimously.

C. Consider Application to the State of California Community Development Block Grant (CDBG) Program for a Planning and Technical Assistance Grant. [700-10]

Community Development Director Johnson commented on the success of these grants in the past. Using a PowerPoint presentation, he summarized the written agenda report and recommended action to approve the preparation of an application for a Planning and Technical Assistance Grant. He responded to questions of council members.

Council discussion was followed by this action:

ACTION: Council Member Norton moved, seconded by Council Member Begun, to approve the preparation of an application to the State CDBG Program for a \$70,000 Planning and Technical Assistance (PTA) Grant for the Village Hotel Site Design/Parking Financing Plan, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None.

D. Discussion regarding City Flag. [130-10]

Assistant to the City Manager Murphy said this item was placed on the agenda at the request of Council Member Begun. She informed the council that minutes to previous meetings pertaining to this item were attached to the agenda report for the Council's information.

Mike Termini, Chair of the Art & Cultural Commission, discussed this matter on behalf of Council Member Begun. He said this matter was brought to the Art & Cultural Commission; however, since this is a City flag, the commission was not sure how it fit into their program, and they wanted some direction from the council. He said the options would be: 1) that the Art & Cultural Commission do nothing; 2) send out a call to artists to design a new flag; or 3) take the flag we currently have and give it to an artist to enhance. There was some discussion about using the logo used for the 60th Birthday Party, but that logo belongs to the Capitola Soquel Chamber of Commerce. Mr. Termini said that if the council wants the Art & Cultural Commission to grapple with this issue, the process would be for the commission to issue a call to artists, form an art selection panel, and have a competition for designing a city flag, and then bring it back to the council for action.

On behalf of the Art & Cultural Commission, Chairperson Termini requested that the council provide clear direction on exactly what the council would like them to do.

Mayor Storey suggested that the Art & Cultural Commission take into consideration the existing city flag and for the commission to make recommendations on improving it; i.e., either in the quality of the makesmanship or the design. He commented that if the design of the flag is changed, he imagined the design of the city seal would also need to be changed. He believes there is a general sense that the Council wants to start with that base and does not want to spend a lot of money on this project. Mayor Storey also said it would be his preference to keep this project local. He expressed concern that the original flags were made in Mississippi.

Mike Termini said the Art & Cultural Commission would include this item on its agenda for discussion at its September 14th meeting.

5. D. OTHER BUSINESS (Continued)

ACTION: Considerable Council discussion resulted in a consensus of the Council approving Mayor Storey's suggestion to have the Art & Cultural Commission take into consideration the existing city flag and for the commission to make recommendations on improving it; i.e., either in the quality of the makesmanship or the design and report back to council.

E. Response to June 29, 2010 Grand Jury Report: Saving the Branches May Kill the Tree, The Fate of the Santa Cruz City/County Public Libraries. [100-30]
Mayor Storey commented on the proposed draft response.

ACTION: Council Member Nicol moved, seconded by Council Member Norton, to authorize Mayor Storey to execute the response to the Grand Jury Report, as submitted.

Council Member Begun asked staff to summarize what is being recommended. City Manager Goldstein summarized the response which disagrees with the grand jury's report and its recommendations. Essentially, the response states the City does not believe it is appropriate to change the Capitola branch library to a reading room.

Council Member Begun said he would like to agendize the issue of keeping our library open at a future meeting. It was noted this has already been discussed at a council meeting. Council Member Begun said nothing is being done to increase hours, and he would like to discuss it again.

Council Member Norton commented that the response should say "keep" a library, not "establish" a library, and pointed out the two places in the response that should be changed.

Council Member Nicol wonders if the responses are published as he is interested in getting the City's response out to the public.

Mayor Storey suggested sending this out as a press release to the Sentinel.

After considerable Council discussion of the motion, the motion to authorize Mayor Storey to execute the response to the Grand Jury Report, as corrected, carried unanimously.

6. COUNCIL/STAFF COMMUNICATIONS

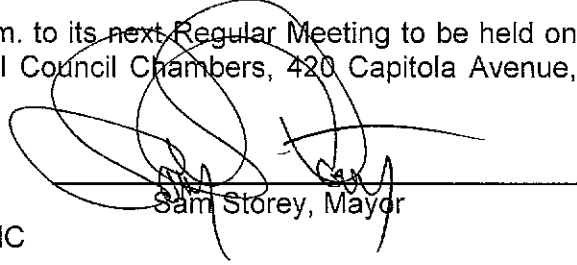
Council Member Begun said he would like, at the next regular meeting, to review the vote regarding the mobile home park taken last night at the Special Meeting.

Mayor Storey clarified that the request was for reconsideration of the motion concerning Pacific Cove Mobile Home Park. He then questioned if the request was in order. City Attorney Barisone indicated that it was. Mayor Storey then announced that reconsideration of that item would be on the September 9, 2010, agenda.

7. ADJOURNMENT

The City Council adjourned at 10:25 p.m. to its next Regular Meeting to be held on Thursday, September 9, 2010, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

ATTEST  MMC
Pamela Greeninger, City Clerk


Sam Storey, Mayor