

**CAPITOLA CITY COUNCIL
REGULAR MEETING MINUTES
THURSDAY, JANUARY 24, 2019**

CALL TO ORDER AND ROLL CALL

Mayor Bertrand called the meeting to order at 6:30 p.m.

Council Member Yvette Brooks: Present, Council Member Ed Bottorff: Present, Council Member Sam Storey: Present, Vice Mayor Kristen Petersen: Present, Mayor Jacques Bertrand: Present.

No members of the public were present and the Council adjourned to the City Manager's Office with the following item to be discussed in Closed Session:

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation [Govt. Code § 54956.9(b)]

(1 case)

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL – 7 PM

1. PLEDGE OF ALLEGIANCE

2. PRESENTATIONS

A. Recognize Retiring Members of Various Advisory Bodies

Certificates of appreciation were presented to community members for their service.

3. REPORT ON CLOSED SESSION

Deputy Attorney Reed Gallogly reported the Council received an update and took no reportable action

4. ADDITIONAL MATERIALS - None

5. ADDITIONS AND DELETIONS TO AGENDA - None

6. PUBLIC COMMENTS - None

7. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

Council Member Brooks reported she attended the League of Cities' new council conference last week and found it very informative.

Mayor Bertrand reported on recent actions by the Regional Transportation Commission.

8. BOARDS, COMMISSIONS AND COMMITTEES APPOINTMENTS

A. Consider Appointments to the Art and Cultural Commission

RECOMMENDED ACTION: Make appointments as recommended by the Art and Cultural Commission.

MOTION:	APPOINT SUSAN McPEAK AS AN AT-LARGE MEMBER AND ROY JOHNSON AS THE ARTS PROFESSIONAL ON THE ART AND CULTURAL COMMISSION
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Sam Storey, Council Member
SECONDER:	Yvette Brooks, Council Member
AYES:	Brooks, Bottorff, Storey, Petersen, Bertrand

9. CONSENT CALENDAR

MOTION:	APPROVE AS RECOMMENDED
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Sam Storey, Council Member
SECONDER:	Kristen Petersen, Vice Mayor
AYES:	Brooks, Bottorff, Storey, Petersen, Bertrand

- A. Consider the January 10, 2019, City Council Regular Meeting Minutes
RECOMMENDED ACTION: Approve minutes.
- B. Planning Commission Action Minutes
RECOMMENDED ACTION: Receive minutes.
- C. Approval of City Check Registers Dated November 2, November 9, November 16, November 21 and November 30, 2018
RECOMMENDED ACTION: Approve check registers.
- D. Approval of City Check Registers Dated December 7, December 14 and December 21, 2018
RECOMMENDED ACTION: Approve check registers.
- E. Withdrawn: Appeal of the Planning Commission's Permit Denial for Application 17-019, 4015 Capitola Road
RECOMMENDED ACTION: Accept staff update that the appeal has been withdrawn. No action required.
- F. Consider the Budget Calendar for the 2019/20 Fiscal Year [330-05]
RECOMMENDED ACTION: Approve the Budget Calendar meeting schedule for Fiscal Year 2019/20.
- G. Consider Appointing an Interim City Treasurer
RECOMMENDED ACTION: Appoint Capitola Finance Director Jim Malberg as interim city treasurer until the ordinance formally establishing the appointment process takes effect.

10. GENERAL GOVERNMENT / PUBLIC HEARINGS

- A. Consider a Letter of Support for Soquel Creek Water District's Grant Application
RECOMMENDED ACTION: Authorize the mayor to sign the attached letter supporting the Soquel Creek Water District's grant application.

City Manager Jamie Goldstein presented the staff report and introduced General Manager Ron Duncan of the Soquel Creek Water District to further explain the Pure Water Soquel project. Mr. Duncan noted that the Soquel Creek's water source is the twenty-first worst basin in the state with critical overdraft. The Pure Water project would take 25 percent of current effluent, purify it, and reintroduce that water into the aquifer to prevent sea water intrusion. After a visit by state officials the district was invited to apply for the \$50 million grant.

In response to a question, Mr. Duncan addressed the project's influence on the current water demand offset program. Currently new development must offset all its anticipated water use. This requirement is seen as bridge until the new supply is in place and the hope is that when project underway, offsets will not be needed. He added the project scored well in meeting community-identified priorities.

There was no public comment.

Council Member Bottorff thanked Mr. Duncan and Board Chair Bruce Daniels for educating the Council on this issue.

MOTION:	DIRECT THE MAYOR TO SIGN THE LETTER OF SUPPORT AS RECOMMENDED
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Ed Bottorff, Council Member
SECONDER:	Sam Storey, Council Member
AYES:	Brooks, Bottorff, Storey, Petersen, Bertrand

B. Consider Contract for Tax Revenue Consulting Services

RECOMMENDED ACTION: Authorize the City Manager to execute a three-year agreement for professional tax revenue consulting services with Hinderliter, de Llamas and Associates (HdL) to perform tax revenue consulting services related to Sales Tax, Transient Occupancy Tax, and Cannabis Tax.

Finance Director Jim Malberg presented the staff report, noting that as the City's largest revenue source at 49 percent, it is imperative to get the best information possible on sales tax.

Transient occupancy tax (TOT) comes from eight hotels, six multi-property management firms, and 35 owner-operated locations. Previous audits were handled by staff, so this would be a new contract service with goals of assuring that taxes are reported correctly and accurately, and that locations are in compliance with zoning codes.

The cannabis tax is a new tax from all-cash business(es). The need for related audit services will depend upon when store fronts open, possibly late 2019. Audit services have a higher cost than other tax categories.

City Manager Jamie Goldstein noted that TOT and cannabis services are still relative unknowns and this contract will include building a new business relationship. Services will be budgeted every year depending on need. In response to a question, Director Malberg said audits will probably rotate hotels and focus on property management companies, using payment history as a factor to determine priorities.

There was no public comment

Council Member Bottorff thanked staff for this effort to update the contract and services.

MOTION:	AUTHORIZE A THREE-YEAR AGREEMENT WITH HdL AS RECOMMENDED
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Sam Storey, Council Member
SECONDER:	Kristen Petersen, Vice Mayor
AYES:	Brooks, Bottorff, Storey, Petersen, Bertrand

C. Introduce an Ordinance Amending Municipal Code Title 10 Vehicles and Traffic Pertaining to Bicycles and Personal Transportation Devices

RECOMMENDED ACTION: Approve first reading of an Ordinance amending Municipal Code Title 10 Vehicles and Traffic to amend Chapter 10.04 General Provisions; repeal Chapter 10.44 Bicycles; and adopt Chapter 10.44 Bicycles and Personal Transportation Devices.

Community Development Director Katie Herlihy presented the staff report, noting the existing ordinance dates from 1951. This ordinance attempts to address current technology and allow for regional shared bicycle and personal transportation device programs. Recent changes suggested would allow children under 10 to ride a bike on a sidewalk. Operators would need a business license and contract that would be approved by the City Council.

In conversations with Santa Cruz City staff, it recommended that to address issues with self-locking bikes and devices blocking pathways, the ordinance require that they be attached to something fixed to the ground.

Council Member Petersen confirmed that Council is not approving a bikeshare program at this time.

Council Member Bottorff asked how City staff can override a locked bike. Director Herlihy will investigate if there is a shared code for Public Works or Police Department staff.

Council Member Storey notes the new code eliminates licensing of bicycles and asked if residents can still register them to retrieve stolen bicycles and how will the City track program bikes? Director Herlihy responded that a contract usually requires the provider to maintain a certain number but allow individual bikes to move within jurisdictions.

Police Chief Terry McManus addressed licensing, saying recently less than five bikes have been licensed annually. The most beneficial information to return a stolen bike is the serial number.

In public comment, David Fox, McCormick resident, warned against signing a boilerplate contract and advocated for an approach that provides security for pedestrians.

Carin Hanna, business owner, expressed concerns about bicycles on the sidewalk in the Village. Merchants want to know who will police the bikes and does not want it to take up police time.

Council Member Bottorff wants to support the vehicle code and allow for enforcement. He does not support exceptions for group rides.

Council Member Storey would like to allow under 10 sidewalk riding on the Monterey Avenue Hill to be permitted, and Council Member Brooks added the Stockton Bridge. City Manager Goldstein suggested similar restriction for bikes on sidewalks as those for skateboards. Following more discussion, the Council expressed concern about defining "the Village" in restrictions. Director Herlihy noted that in areas with no sidewalk riding, young children would walk bikes. Mayor Bertrand was concerned single-file requirements would discourage group rides.

MOTION:	CONTINUE THE HEARING TO THE REGULAR MEETING OF FEBRUARY 14, 2019, AND DIRECT STAFF TO COME BACK WITH SPECIFIC LANGUAGE ADDRESSING WHERE UNDER-AGE-10 RIDERS MAY RIDE ON SIDEWALKS.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Sam Storey, Council Member
SECONDER:	Ed Bottorff, Council Member
AYES:	Brooks, Bottorff, Storey, Petersen, Bertrand

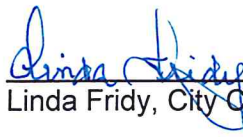
11. ADJOURNMENT

The meeting adjourned at 8:16 p.m.



Jacques Bertrand, Mayor

ATTEST:



Linda Fridy, City Clerk

MINUTES APPROVED FEBRUARY 14, 2019