

**CAPITOLA CITY COUNCIL
REGULAR MEETING MINUTES
THURSDAY, JANUARY 10, 2019**

CALL TO ORDER

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

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

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
[Govt. Code § 54956.9 (d)(1)]
(2 cases)

City of Capitola v. Water Rock Construction, Inc.
Santa Clara Superior Court Case No. 16CV295795

City of Capitola v. D'Angelo
Santa Cruz County Superior Court Case No. CV 181659

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL – 7 PM

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

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

2. PRESENTATIONS**A. Introduce New City Hall Receptionist**

City Clerk Linda Fridy introduced Vanessa Graham.

B. 2018 Officer of the Year - Herb Ross Award

Police Chief Terry McManus introduced the winner of the Herb Ross Award and Officer of the Year Guillermo Vasquez, noting Master Officer Vasquez is one of the hardest workers the chief has met in his career. Officer Vasquez thanked the City, his colleagues, and his family.

3. REPORT ON CLOSED SESSION

Deputy City Attorney Reed Gallogly reported no action taken.

4. ADDITIONAL MATERIALS**A. Item 10.A – Two public comment emails**

- B. Item 10.B – Revised policy language
- C. Item 10.D – One public comment email
- D. Item 10.E – One public comment email

5. ADDITIONS AND DELETIONS TO AGENDA - None

6. PUBLIC COMMENTS

Denise Ellerick thanked the City for supporting collection of unused medicine and sharps, and encouraged the community to participate in an upcoming survey.

The Mayor granted an exception to Jamie McVicor to make a comment later in the meeting. Mr. McVicor spoke to Village business conditions and noted there are 16 vacant buildings. He encouraged cooperation with the Village Business Improvement Association and economic development to find successful tenants.

7. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

Council Member Bottorff asked to add to a future agenda discussion of the rope lights in the Village.

Council Member Storey said he received an email regarding collaboration on homeless programs that would require the City to declare a shelter crisis. The County is on a tight deadline and a special meeting would be required. Other council members did not support discussing a declaration, but Mayor Bertrand called a special meeting for 6 p.m. January 14.

Council Member Brooks noted the City will be joining other jurisdictions in honoring County Schools Superintendent Michael Watkins on his retirement this week.

City Manager Jamie Goldstein reported that Merlone Geier closed on the purchase of the Sears property and is now majority owner of the Capitola Mall. The continued appeal scheduled for January 24 will be canceled.

8. BOARDS, COMMISSIONS AND COMMITTEES APPOINTMENTS

- A. Review Annual Advisory Body Appointments
RECOMMENDED ACTION: Make appointments.

The City Council made the following individual and joint appointments:

Architecture and Site Committee:

- Architect Frank Phanton reappointed
- Historian Carolyn Swift reappointed

Art and Cultural Commission:

- Council Member Storey, who served on the commission as the Planning Commission representative, will represent the Council.

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Commission on the Environment:

- Council representative Mayor Bertrand

- Cathlin Atchison -- Council Member Petersen reappointed
- Peter Wilk -- Council Member Bottorff reappointed
- Michelle Beritzhoff-Law -- Council Member Brooks appointed

Recruitment will continue for Council Member Storey's appointee.

Finance Advisory Committee:

- Mayor Bertrand
- Vice Mayor Kristen Petersen
- Marilyn Warter -- Council Member Storey appointed
- Paul Estey -- Council Member Bottorff appointed
- Douglas Crowder -- Council Member Brooks appointed
- Toni Castro -- Capitola Businessperson/Capitola Resident

Wharf Working Group:

- Vice Mayor Petersen
- Council Member Bottorff

Ad Hoc Library Design Advisory Committee

- Capitola City Manager
- Capitola Public Works Director
- Project Manager Dave Tanza
- Santa Cruz Public Libraries Library Director and Staff
- Noll and Tam Architects
- At-Large Community Member Bob White
- (Former) City Council Member Mike Termini
- (Former) Capitola Library Advisory Committee Member Gayle Ortiz

Criminal Justice Council:

- Mayor Bertrand
- Council Member Brooks

Capitola Public Safety Foundation:

- Vice Mayor Petersen

LAFCO (Local Agency Formation Commission):

- Council Member Brooks, alternate nominee

Santa Cruz County Children's Network

- Council Member Brooks

Santa Cruz County Library Advisory:

- Bob White

Santa Cruz County Library Financing Authority:

- Mayor Bertrand
- Vice Mayor Kristen Petersen

Santa Cruz County Integrated Waste Management:

- Mayor Bertrand, representative
- Larry Laurent, alternate

Santa Cruz County Regional Transportation Commission:

- Mayor Bertrand, representative
- Council Member Storey, alternate

Santa Cruz County Flood Control and Water Conservation Zone 5:

- Mayor Bertrand
- Vice Mayor Petersen

Additionally, Council Member Bottorff noted that he had been appointed to the Village and Wharf Business Improvement Association board as an individual and cannot continue due to his schedule. The BIA may approach another council member about joining the board. Also, he and the mayor have met for informal check-ins with Soquel school district trustees. Council Member Storey said he would be interested in serving as a liaison with either or both.

9. CONSENT CALENDAR

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

- A. Consider the December 13, 2018, City Council Regular Meeting Minutes
RECOMMENDED ACTION: Approve minutes.
- B. Consider a Resolution Designating Certain City Personnel to Sign State of California Department of Transportation Funding and Certification Documents
RECOMMENDED ACTION: Approve **Resolution No. 4137** authorizing the City Manager, Finance Director, or Public Works Director to execute various agreements, documents, and certifications with the California State Department of Transportation as required for state and federal funding for transportation projects within the City.

10. GENERAL GOVERNMENT / PUBLIC HEARINGS

- A. Consider a Resolution for Dissolution of the Traffic and Parking Commission
RECOMMENDED ACTION: Approve **Resolution No. 4138** repealing Resolution No. 3740 and Resolution No. 4107 and dissolving the Traffic and Parking Commission or make appointments to the commission for a new two-year term.

Public Works Director Steve Jesberg presented the staff report including the history of previous advisory bodies and Traffic and Parking achievements. He noted most larger projects have included staff-led workshops.

There was no public comment.

Council Member Bottorff served on the committee when it had several projects but said he believes it has run its course until a major project arises.

Council Member Storey will not support a dissolution and would have preferred the commission be given an opportunity to weigh in, especially given the interest in reappointment.

Council Member Petersen favors dissolution but also supports a future ad hoc option.

Mayor Bertrand noted he has advocated previously for a city-wide role for the committee.

MOTION:	APPROVE THE RESOLUTION DISSOLVING THE COMMISSION AS RECOMMENDED
RESULT:	ADOPTED [3 TO 2]
MOVER:	Ed Bottorff, Council Member
SECONDER:	Kristen Petersen, Council Member
AYES:	Yvette Brooks, Ed Bottorff, Kristen Petersen
NAYS:	Sam Storey, Jacques Bertrand

- B. Consider Library Construction Update and Contract Change Order Policy
RECOMMENDED ACTION: Receive report and adopt **Resolution No. 4139** approving a field order and contract change order policy for the Capitola Branch Library Project.

Director Jesberg presented the staff report. For the construction update, he reported that site work has begun and now the contractor is waiting for PG&E to remove the old, still-active power box. Negotiations with winning bidder Otto Construction successfully reduced bid costs to the revised budget level but the formal process to change the plans continues.

The new change order policy addresses the high cost of this project and staff's desire to be transparent to Council and the public for significant changes. After agenda publication, staff added a line regarding cumulative change orders to limit them to \$125,000.

In response to the mayor's question, Director Jesberg walked through process of identifying the need for a change order and negotiation. He also clarified that changes identified in the original award are not subject to these limits. Council Member Storey suggested adding cumulative "increases" to policy language so that reductions do not trigger extra reporting.

In public comment, resident Mark Kane said he does not support allowing staff to issue change orders and expressed concerns about the project staying on budget.

Council Member Bottorff addressed these concerns in his comments, noting the nearly \$1 million contingency and project budget. He has been concerned about costs but feels the process is consistent with other agencies.

Council Member Storey noted the proposed policy provides more oversight than is currently in place and supports it.

MOTION:	APPROVE THE RESOLUTION AND POLICY WITH THE AMENDED LANGUAGE FOR CUMMULATIVE INCREASES.
RESULT:	ADOPTED AS AMENDED [UNANIMOUS]
MOVER:	Ed Bottorff, Council Member
SECONDER:	Sam Storey, Council Member
AYES:	Bertrand, Bottorff, Brooks, Petersen, Storey

C. Review Changes to Treasurer References in Municipal Code

RECOMMENDED ACTION: Discuss implementation of the voter-approved transition from an elected to an appointed treasurer and provide direction how the treasurer appointment will be made.

The City Clerk presented the staff report highlighting areas of the municipal code that may be amended depending on what process the Council prefers to appoint a treasurer.

Council Member Petersen asked if it would be possible to adopt a two-step process with the city manager nominating and the Council approving, and was told it can be done.

In public comment, Former Treasurer Peter Wilk said he supports a city manager appointment and favors the finance director as treasurer for cost savings and bureaucratic efficiency.

The Council discussed the review of city invoices and suggested empowering the Finance Advisory Committee (FAC) to sign off on invoices to provide a level of review.

Council Member Storey said he would welcome input from the FAC and perhaps appoint a treasurer from its ranks. This approach would need to address the assurance that the treasurer is experienced and capable.

Council Member Petersen said while she would also support FAC input, she has faith in the city manager's hiring, so she is interested in investigating a two-part process to reflect citizen concerns she has heard. Council Member Brooks agreed.

Council Member Bottorff said part of the appointment effort is an intent to streamline government and applauded the efforts of Former Treasurer Wilk. He noted other local jurisdictions allow the city manager to appoint staff as treasurer, and the person who does the work and assumes responsibility in Capitola is the finance director. Council Member Bottorff would support a nomination process. In his motion to direct staff to prepare a nomination process ordinance, he also asked that the FAC recommend invoice oversight options and supported striking code language related to dog ownership transfer. Other council members agreed.

MOTION:	DIRECT STAFF TO BRING FORWARD AN ORDINANCE ALLOWING THE CITY MANAGER TO NOMINATE THE FINANCE DIRECTOR AS TREASURER WITH CITY COUNCIL APPROVAL
RESULT:	ADOPTED [4 TO 1]
MOVER:	Ed Bottorff, Council Member
SECONDER:	Kristen Petersen, Council Member
AYES:	Bertrand, Bottorff, Brooks, Petersen
NAYS:	Storey

- D. Consider a 2019 Community Development Block Grant (CDBG) Application
RECOMMENDED ACTION: Hold the noticed public hearing and defer consideration of the attached Resolution approving a Community Development Block Grant application until the next grant cycle anticipated in July 2019.

Directors Jesberg and Herlihy presented the staff report. Director Jesberg explained that the Clares Street project does not appear to be competitive given all recent awards have been for emergency water and sewer needs. Director Herlihy said she initially planned to move forward with the housing grants, but the Housing Authority does not wish to participate in the rehabilitation portion. She is looking for another partner and is hopeful the City can be ready for the next funding round.

Mayor Bertrand confirmed other jurisdictions have echoed the problems Capitola is experiencing.

Council Member Brooks asked if there are other funding options for Clares than this grant and was told it would require shifting priorities. Council Member Storey confirmed the project has little other funding currently.

There was no public comment.

Council Member Bottorff acknowledged the ongoing difficulty to find funding for Clares.

Mayor Bertrand asked if any redesign options would reduce costs and was told full repaving is a major expense but pedestrian and traffic calming elements may be possible.

MOTION:	DEFER CONSIDERATION OF A GRANT APPLICATION AS RECOMMENDED
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Ed Bottorff, Council Member
SECONDER:	Kristen Petersen, Council Member
AYES:	Bertrand, Bottorff, Brooks, Petersen, Storey

- E. Consider Options To Streamline Meeting Agenda
RECOMMENDED ACTION: Discuss ways to reach the scheduled public hearing portion of the City Council agenda more quickly to improve community access.

City Manager Goldstein provided the staff report noting the concern about public participation impacts when hearings begin after 8 p.m.

Council Member Brooks supports adopting the recommended changes and Council Member Petersen supports using the timer for presentations.

Council Member Storey asked if there is a requirement for a verbal roll call. If so, when there is a closed session it can be held at that time.

Council Member Bottorff encouraged council members to ask questions of staff ahead of a meeting.

MOTION:	IMPLEMENT THE PROPOSED CHANGES TO AGENDA LANGUAGE AND SUPPORT THE MAYOR IN ENFORCING RELATED PROCESSES.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Yvette Brooks, Council Member
SECONDER:	Kristen Petersen, Council Member
AYES:	Bertrand, Bottorff, Brooks, Petersen, Storey

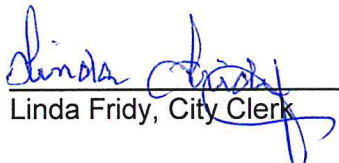
11. ADJOURNMENT

The meeting was adjourned at 9:10 p.m.



Jacques Bertrand, Mayor

ATTEST:



Linda Fridy, City Clerk

MINUTES APPROVED JANUARY 24, 2019