

**CAPITOLA CITY COUNCIL  
REGULAR MEETING MINUTES  
THURSDAY, JUNE 14, 2018**

**CALL TO ORDER**

Mayor Termini called the meeting to order at 5:30 p.m. with the following items to be discussed in Closed Session:

**CONFERENCE WITH LABOR NEGOTIATOR [Govt. Code § 54957.6]**

Negotiator: Dania Torres Wong

Employee Organizations: (1) Association of Capitola Employees; (2) Capitola Police Captains, (3) Capitola Police Officers Association, (4) Confidential Employees; (5) Mid-Management Group; and (6) Department Heads

**CONFERENCE WITH LEGAL COUNSEL, EXISTING LITIGATION**

**[Govt. Code § 54956.9 (d)(1)]**

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

**PUBLIC EMPLOYEE PERFORMANCE EVALUATION [Govt. Code § 54957(b)]**

City Council's Performance Evaluation of the City Attorney

There was no public comment; therefore, the City Council recessed to Closed Session in the City Manager's Office. Council Member Harlan joined the Council during closed session.

**REGULAR MEETING OF THE CAPITOLA CITY COUNCIL – 7 PM**

**1. ROLL CALL AND PLEDGE OF ALLEGIANCE**

Council Member Stephanie Harlan: Present, Council Member Ed Bottorff: Present, Mayor Michael Termini: Present, Vice Mayor Jacques Bertrand: Present, Council Member Kristen Petersen: Present.

Treasurer Peter Wilk was present.

**2. REPORT ON CLOSED SESSION**

City Attorney Tony Condotti announced that the Council received a report and gave direction regarding labor negotiations. There was no reportable action on the other items.

**3. ADDITIONAL MATERIALS**

A. Item 9.A – one public comment

B. Item 9.C – five public comments

C. Item 9.E – additional track changes attachment

**4. ADDITIONS AND DELETIONS TO AGENDA - None****5. PUBLIC COMMENTS**

Dan Finkel explained that road closures at both Blue Gum and Stockton Avenue prevent him from getting home and asked that there be coordination for such closures.

Lejla Bratovic, the new executive director of the Conflict Resolution Center, introduced herself and thanked the City for its ongoing partnership.

**6. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS**

Community Development Director Katie Herlihy announced that her department just received notice it was awarded a Federal Emergency Management Agency (FEMA) grant of \$41,438 to update the City’s local hazard mitigation program.

Treasurer Wilk noted the cost of providing biodegradable dog waste bags.

Mayor Termini said the car show was successful. The second Twilight Concert was well attended, including by the mayor of Santa Cruz who was very complimentary. Mayor Termini noted that “Quiet Zone” signs along lower Monterey will be installed shortly in response to motorcycle noise concerns. He praised Council Members Bertrand and Bottorff, who attended a Regional Transportation Commission meeting all day and are here tonight.

**7. BOARDS, COMMISSIONS AND COMMITTEES APPOINTMENTS**

A. Historical Museum Board Appointments

RECOMMENDED ACTION: Make appointments as recommended by the Historical Museum Board.

<b>MOTION:</b>	<b>REAPPOINT PAM GREENINGER AND DAVID PEYTON TO FULL THREE-YEAR TERMS AND APPOINT REBECCA HOBSON TO AN UNFINISHED TERM THROUGH JUNE 2019 AS RECOMMENDED</b>
<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Jacques Bertrand, Vice Mayor
<b>SECONDER:</b>	Kristen Petersen, Council Member
<b>AYES:</b>	Harlan, Bottorff, Termini, Bertrand, Petersen

**8. CONSENT CALENDAR**

<b>MOTION:</b>	<b>ADOPT AS RECOMMENDED</b>
<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	Stephanie Harlan, Council Member
<b>SECONDER:</b>	Kristen Petersen, Council Member
<b>AYES:</b>	Harlan, Bottorff, Termini, Bertrand, Petersen

A. Consider the May 24, 2018, City Council Regular Meeting Minutes

RECOMMENDED ACTION: Approve minutes.

B. Consider the City's Investment Policy [100-10/350-10]

RECOMMENDED ACTION: Confirm the City's Administrative Policy Number III-1, Investment Policy.

C. Consider the Adoption of a Resolution Setting the Fiscal Year 2018/2019 Appropriation Limit [330-05]

RECOMMENDED ACTION: Adopt **Resolution No. 4113**.

D. Consider Brommer Street Complete Street Project Regional Transportation Improvement Program Funding Award and Award of an Engineering Design Contract

RECOMMENDED ACTION: Accept a Regional Transportation Improvement Program award from the Santa Cruz County Regional Transportation Commission in

the amount of \$470,000 for the Brommer Street Complete Street Project and award an engineering design contract to Kimley-Horn in the amount of \$85,400.

- E. Consider Updated Capitola Village and Wharf Business Improvement Area Contract  
RECOMMENDED ACTION: Authorize the City Manager to enter into an updated agreement with the Capitola Village and Wharf Business Improvement Area.

## 9. GENERAL GOVERNMENT / PUBLIC HEARINGS

- A. Receive Report on Construction Bids Received for Capitola Branch Library Project  
RECOMMENDED ACTION: Receive report and provide direction to staff.

Public Works Director Steve Jesberg reported that bids were received last week and unfortunately came in well over the budget. Staff is meeting with the design team to provide options with the existing project or TO reject bids. Staff is not asking for direction at this point and hopes to bring back options soon.

In public comment Jack Digby said the timing is difficult with competition for contractors and suggested delaying the project.

TJ Welch supports the idea of a new library but is discouraged by how much over budget the bids are. He encouraged the City to redesign with a simpler plan.

Gayle Ortiz asked the Council to find a way to build the library within budget. She also noted the city has a contract with the county to build a library now.

Mayor Termini asked project manager David Tanza if the existing plans can be redesigned. Mr. Tanza said the construction market is unstable and other Bay Area cities are facing similar problems, but Capitola has opportunities.

Council Member Bottorff encouraged expediting the process.

<b>RESULT: RECEIVED REPORT</b>
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- B. Receive Report on Status of Measure F Projects on the Beach Jetty, Flume and Wharf and Consider a Contract Amendment for Moffatt and Nichol for These Projects  
RECOMMENDED ACTION: Approve a contract amendment to Moffatt and Nichol's contract in the amount of \$524,500 for engineering services for the permitting, engineering, and conceptual design of the Wharf, Flume, and Jetty Improvement Projects.

Project Manager Kailash Mozumber gave a brief overview of actions to date and introduced Sam Tooley of Moffatt and Nichol. He explained the amendment would take the flume and jetty projects through final design and permitting, and continue work on design development for the wharf.

Mr. Tooley said that meetings are underway with the Army Corps of Engineers to repair the flume's deteriorated concrete and install a lining. The jetty project will restore rocks and membrane that have shifted over time.

He noted that engineers have recommended widening the portion of the wharf between the shore and the buildings to increase strength. Other opportunities include replacing buildings, replacing the public restroom to make it more accessible and building new

restrooms at the foot of the wharf, and adding new seating elements, which were well received by the public at outreach meetings.

Mayor Termini confirmed that the scope of the contract can be modified.

Council members asked how much of the contract includes work on the wharf buildings themselves, and were told design development is \$70,000. Mr. Tooley said during this phase it is most important to clarify costs from the broad estimates that have been presented so far. Design development would provide more concrete figures. In response to questions, Director Jesberg confirmed that buildings could be undertaken in a second phase.

There was no public comment.

Council Member Bottorff expressed concerns that the vision is more than the City can afford for the buildings and he does not wish to put multi-million-dollar structures on an unstable foundation, especially considering sea level rise. He asked if the level of the wharf can be raised and asked about the 20-year estimate under current plans.

Council Member Bertrand asked how much longer life a higher wharf would have.

Mr. Tooley said life estimates require risk analysis and could be included in this phase. He explained that the 20-year estimate for the original proposal is for how long before significant piling repair would be required, not the life of the wharf. Elevating the wharf would be quite complicated but a cost could be provided.

City Manager Goldstein discouraged a more expensive option given that revenue and cost projections are challenging. In response to a question, he said increased height may increase regulatory scrutiny. Director Jesberg explained that the widening at the foot of the wharf supports the initial goal of fewer closings. He confirmed that the only way to raise the wharf is to completely rebuild, which would likely result in longer closures for the businesses on the wharf.

There was Council consensus to approve the contract deferring the building design portion.

<b>MOTION:</b>	<b>APPROVE AN AMENDED CONTRACT THAT DOES NOT INCLUDE DESIGN DEVELOPMENT FOR BUILDINGS ON THE WHARF</b>
<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Ed Bottorff, Council Member
<b>SECONDER:</b>	Jacques Bertrand, Vice Mayor
<b>AYES:</b>	Harlan, Bottorff, Termini, Bertrand, Petersen

C. Consider Capitola Beach Festival Special Event Permit

RECOMMENDED ACTION: Review the Capitola Beach Festival Committee's request for a Special Event Permit, including an Encroachment Permit, Amplified Sound Permit, and Banner Permit for the proposed Capitola Beach Festival and provide direction.

Police Chief Terry McManus presented the staff report and noted the Council previously held a conceptual review on March 8. He said the "Little Wharf To Wharf" run and nautical parade would have the greatest staff impact. The run requires road and Village

closures, and shuttling participants to their vehicles.

Holding the nautical parade at night generated concern at the March meeting and the following conditions are recommended to address those worries:

- The start time will be sunset and the event will end by 8:30 p.m.
- Participation limited to 12 float barges
- Provide four water marshals
- Contract lifeguard services
- Include portable beach lighting
- Float lights will be turned on only past the trestle
- First Alarm security hired for trestle entry points

Staff noted that other permits from regulatory agencies may be required for a night parade.

Council Member Bottorff clarified elements regarding lifeguards, trestle closing, and timing for the path lighting to go off.

Council Member Bertrand said he walked the Riverview neighborhood and residents asked about liability for the evening event. Most were open to giving the event a try.

Council Member Petersen asked about plans to move observers off the Riverwalk and learned event organizers will support that effort.

Treasurer Wilk asked if there were concerns about overtime costs. The City will be reimbursed.

In public comment, event committee member Dave Peyton offered details about the parade and floats to limit on-site construction.

Laurie Hill, former Begonia Festival chair, said many festival leaders have joined this effort.

Mayor Termini said that he has been cleared by the City Attorney to participate in this item, but that because he signed the permit application he will not offer comments.

Council Member Bottorff praised the effort put into the planning and asked that a condition requiring two personal floatation devices on each float be added.

Council Member Petersen echoed his praise and feels safety concerns have been addressed.

<b>MOTION:</b>	<b>APPROVE THE REQUESTED PERMITS WITH THE ADDITION OF THE REQUIREMENT FOR TWO PERSONAL FLOATATION DEVICES PER FLOAT TO THE OTHER SPECIAL EVENT CONDITIONS.</b>
<b>RESULT:</b>	<b>ADOPTED AS AMENDED [4 TO 1]</b>
<b>MOVER:</b>	Kristen Petersen, Council Member
<b>SECONDER:</b>	Ed Bottorff, Council Member
<b>AYES:</b>	Ed Bottorff, Michael Termini, Jacques Bertrand, Kristen Petersen
<b>NAYS:</b>	Stephanie Harlan

D. Consider a Resolution for the Levy of Capitola Village and Wharf Business Improvement Area Assessments for Fiscal Year 2018/2019 [140-05]  
RECOMMENDED ACTION: Conduct the public hearing and adopt **Resolution No. 4114** levying the Fiscal Year 2018-2019 Capitola Village and Wharf Business Improvement Area (CVWBIA) Assessments and accepting the CVWBIA Annual Plan and budget.

Finance Director Jim Malberg provided a quick overview and introduced Carin Hanna of the CVWBIA to answer questions.

Ms. Hanna said this year there will be more focus on social media marketing and the group hopes to get strong analytics to measure response. CVWBIA member Yellow Bus will help.

Council Member Bertrand asked the history behind the fees and was told many meetings among business owners took place initially. The in-lieu option was added after the first year.

There was no public comment.

Council Member Bottorff said he is working with the CVWBIA on another project and hopes for increased cooperation.

<b>MOTION:</b>	<b>ADOPT THE RESOLUTION AS RECOMMENDED</b>
<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Ed Bottorff, Council Member
<b>SECONDER:</b>	Kristen Petersen, Council Member
<b>AYES:</b>	Harlan, Bottorff, Termini, Bertrand, Petersen

E. Introduce an Ordinance Amending Chapter 5.24 of the Capitola Municipal Code Pertaining to Entertainment Permits  
RECOMMENDED ACTION: Approve the first reading of an ordinance amending Municipal Code Chapter 5.24.

Chief McManus presented the staff report. The proposed amendment would codify existing policy and practice.

Council Member Bertrand confirmed that changes in allowed water use and storm water management prevent businesses from hosing off their own portions of the sidewalk.

There was no public comment.

<b>MOTION:</b>	<b>APPROVE FIRST READING AS RECOMMENDED</b>
<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Ed Bottorff, Council Member
<b>SECONDER:</b>	Jacques Bertrand, Vice Mayor
<b>AYES:</b>	Harlan, Bottorff, Termini, Bertrand, Petersen

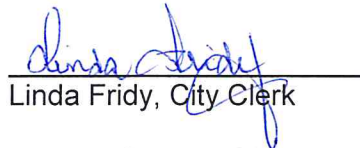
**10. ADJOURNMENT**

The meeting adjourned at 8:37 p.m.



Michael Termini, Mayor

ATTEST:



Linda Fridy, City Clerk

**MINUTES APPROVED JUNE 28, 2018**

