

**CAPITOLA CITY COUNCIL
REGULAR MEETING ACTION MINUTES
THURSDAY, JUNE 8, 2017**

CLOSED SESSION 6:30 PM

CALL TO ORDER

Mayor Harlan called the meeting to order at 6:30 p.m. with the following items to be discussed in Closed Session:

**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

There was no one in the audience; therefore, the City Council recessed to the Closed Session in the City Manager's Office.

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL - 7 PM

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

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

Treasurer Peter Wilk was present.

2. PRESENTATIONS

A. Introduction of New Maintenance Worker Thomas Gonzales

Public Works Superintendent Eddie Ray Garcia introduced Thomas Gonzales, who expressed his pleasure to join the crew.

3. REPORT ON CLOSED SESSION

City Attorney Anthony Condotti said Council received a report and took no reportable action.

4. ADDITIONAL MATERIALS

A. Item 9.A -- Public communication regarding trial parking program on Hill Street

B. Item 9.C -- Revised attachments 1 and 3 regarding the Fiscal Year 2017/18 Budget

C. Item 9.C -- Revised Proposed Fiscal Year 2017/18 Budget for the City

D. Item 9.C. -- Memo and quote regarding emergency Wharf repairs

5. ADDITIONS AND DELETIONS TO AGENDA

Public Works Director Steve Jesberg reviewed his request to add to the agenda an emergency contract for Wharf repairs.

MOTION:	THE COUNCIL MAKES THE FOLLOWING FINDINGS: (1) AN EMERGENCY SITUATION EXISTS REQUIRING IMMEDIATE ACTION AND (2) THAT INFORMATION RELATED TO THAT ACTION CAME TO STAFF'S ATTENTION AFTER THE POSTING OF THE MEETING AGENDA, AND ADDS AN ACTION ITEM TO 9.C TO AWARD A CONTRACT TO POWER ENGINEERING IN THE AMOUNT OF \$126,300 FOR REPAIRS TO THE WHARF NECESSARY TO OPEN THE MARINA.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Termini, Vice Mayor
SECONDER:	Ed Bottorff, Council Member
AYES:	Bottorff, Bertrand, Harlan, Termini, Petersen

6. PUBLIC COMMENTS - None

7. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

Council Member Petersen noted the recent women's mixer attracted about 30 participants who were encouraged to become involved in Capitola. She added the Capitola Classic Car Show is this weekend.

Council Member Termini announced that on June 19 and 20 the Police Officer Appreciation Dinner will be held at Paradise Beach Grill. The first Twilight Concert went well. Lastly, he asked for Council support to add to the next agenda consideration of the Mayors for the Paris Agreement, and received consensus.

Council Member Bertrand encouraged blood donations. He reported that in response to ongoing concerns regarding the Nob Hill Center pump station odor, the County Sanitation Board approved \$750,000 for a monitoring system upgrade and injections to counter odors. He also announced that Central Fire Protection District new permanent Chief Steve Hall will be sworn in June 16.

Mayor Harlan acknowledged World Oceans Day and noted local ways to learn about and support ocean projects. She congratulated Historical Museum Curator Frank Perry, who was recognized with the Laura Hecox Award from the Santa Cruz Museum of Natural History. She offered a tribute to Lance Elliott of the Public Works crew following his recent death.

Treasurer Wilk said he would continue to advocate for loan repayment in future budget deliberations.

City Manager Goldstein introduced the new Finance Director, Jim Malberg, who comes to the City from Elk Grove Water District and has a long background in municipal finance. Mr. Malberg said he is looking forward to joining the City staff.

8. CONSENT CALENDAR

MOTION:	APPROVE OR ADOPT ALL ITEMS AS RECOMMENDED.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Termini, Vice Mayor
SECONDER:	Ed Bottorff, Council Member
AYES:	Bottorff, Bertrand, Harlan, Termini, Petersen

- A. Consider the May 25, 2017, City Council Regular Meeting Minutes
RECOMMENDED ACTION: Approve minutes.
- B. Consider the Adoption of a Resolution Setting the Fiscal Year 2017-2018 Appropriation Limit [330-05]
RECOMMENDED ACTION: Adopt **Resolution No. 4079** setting the Fiscal Year 2017-2018 Appropriation Limit as required by Article XIII B of the California Constitution.
- C. Consider the City's Investment Policy [100-10/350-10]
RECOMMENDED ACTION: Confirm the City's Administrative Policy Number III-1, Investment Policy, or provide direction to staff regarding any recommended changes.
- D. Consider Extending the Criminal Justice Council Joint Powers Agreement [150-70/500-10 A/C: Santa Cruz County Regional Criminal Justice Council JPA]
RECOMMENDED ACTION: Approve the agreement extending the Santa Cruz County Criminal Justice Council through June 30, 2021.
- E. Consider a Resolution Designating Agents for Disaster Assistance with the State Office of Emergency Services and Repealing Resolution No. 3865 [420-20]
RECOMMENDED ACTION: Adopt **Resolution No. 4080**.

9. GENERAL GOVERNMENT / PUBLIC HEARINGS

- A. Trial Program of Hill Street Vehicle, Bike, and Pedestrian Improvements [770-05/940-40]
RECOMMENDED ACTION: Consider a two-week trial program that removes the parking along the south side of Hill Street between Capitola Avenue and Rosedale Avenue to address ongoing vehicle-to-vehicle conflicts and improve both pedestrian and bicycle access.

Director Jesberg presented the staff report. He and project contractors Kimley-Horn held a neighborhood meeting in February, and he reviewed three options with variables and increasing costs that were presented then. He noted Hill Street is identified as a Safe Route to School. Currently it is narrow with two traffic and parking lanes, which does not provide ample room for cars to pass going both ways. It is 20 feet short of the recommended width for all uses. They studied on-street parking in the vicinity. The neighborhood workshop had strong consensus that the roadway is dangerous, but there was concern expressed about inadequate parking in local apartment complexes. Phased improvements were also supported. Staff does not support one-way traffic or preferential permit parking by street. The trial program would help assess traffic impacts ahead of installing a sidewalk at a later date.

Council Member Termini asked about pairing the trial program with speed monitoring

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and was told it would cost an additional \$1,500. Council Member Bertrand agreed with safety concerns about the regular use by students walking to and from New Brighton Middle School.

A Hill Street resident asked if there have been fatalities or accidents. She does not wish to lose parking. She questioned ticketing at the bus stop since it is not in use.

Another Hill Street resident said parking is not always available and also does not want to reduce street parking.

Hill Street resident Teresa Green shared an example of dangerous pedestrian interaction and said parents regularly drive Hill Street getting students to and from school.

Residents of a four-home, shared-access area at the Hill Street and Capitola Avenue intersection described difficulty with sight lines exiting the driveway due to parked vehicles and said they avoid walking there because of safety concerns.

Council Member Termini asked about painting specific parking stalls and Director Jesberg said they can be considered, although they have both pros and cons. Staff and Council noted speed bumps have not been supported in the City since the 1990s.

Council Member Petersen confirmed that this is a trial program and will allow for evaluation. Council Member Termini worried if speed would increase with more space, but he does not wish to wait for a fatality to act. Council Member Bertrand asked for another workshop after the trial period, not just the survey. Council Member Bottorff requested to extend the trial period, possibly to 30 days. Staff and Council targeted July 7 through August 4 with speed monitoring.

MOTION:	APPROVE THE RECOMMENDED TRIAL PROGRAM ELIMINATING PARKING ON THE SOUTH SIDE OF HILL STREET BETWEEN JULY 7 AND AUGUST 4, 2017, CONDUCT SPEED MONITORING, AND HOLD A COMMUNITY MEETING FOLLOWING THE TRIAL PROGRAM.
RESULT:	ADOPTED AS AMENDED [UNANIMOUS]
MOVER:	Kristen Petersen, Council Member
SECONDER:	Michael Termini, Vice Mayor
AYES:	Bottorff, Bertrand, Harlan, Termini, Petersen

B. Free Tree Program Proposal [1030-60]

RECOMMENDED ACTION: Authorize staff to offer a free tree program to Capitola residents as detailed in the staff report.

Community Development Director Rich Grunow presented the staff report, and noted the large increase in the in-lieu fund from a PG&E payment. The proposed Arbor Day program requires little staff time and provides strong marketing and outreach, along with follow-up tracking of positive climate impacts.

Council Member Termini clarified that the City covers all costs, with none to residents. Mayor Harlan asked that outreach remind residents not to plant over utility lines.

A community member confirmed that multi-family units could participate. Director Grunow said any property is qualified. The program allows for flexibility and staff can work with different properties.

Treasurer Wilk asked if some of the remaining funds could be used to maintain the canopy along the creek. At Council's request, staff will review the ordinance to see what specific uses are permitted for the funds.

MOTION:	AUTHORIZE THE FREE TREE PROGRAM IMPLEMENTATION.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Termini, Vice Mayor
SECONDER:	Ed Bottorff, Council Member
AYES:	Bottorff, Bertrand, Harlan, Termini, Petersen

C. Proposed 2017/2018 Fiscal Year Budget for the City of Capitola General Fund and Capital Improvement Program [330-05/780-30]

RECOMMENDED ACTION:

1. Approve **Resolution No. 4081** adopting the Fiscal Year 2017/18 City Budget and Capital Improvement Program.
2. Award a contract to Power Engineering in the amount of \$126,300 for Repairs to the Wharf necessary to open the marina.

City Manager Goldstein reviewed discussions and revised figures from the previous two workshop hearings.

Director Jesberg reviewed the Wharf steel pile failure identified earlier this spring. A last-minute opening by the previous contractor resulted in a bid and the request for the emergency contract. The marina cannot open until this work is complete. Staff identified funding to add to the Wharf Fund by diverting some Measure F Wharf design funding and \$20,000 from Grand Avenue.

Council Member Termini confirmed the contract is to replace one wooden and two steel piles. Director Jesberg said this work is on the east side of the Wharf and future work will be on the west. Other piles will be inspected during the process. The repairs will require the Wharf to be closed for about a week.

Council Member Termini emphasized the importance of preserving the Wharf and asked the Council to vote on the Wharf emergency contract before other budget deliberations. Council concurred.

MOTION:	AWARD A CONTRACT TO POWER ENGINEERING IN THE AMOUNT OF \$126,300 FOR EMERGENCY REPAIRS TO THE WHARF
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Termini, Vice Mayor
SECONDER:	Ed Bottorff, Council Member
AYES:	Bottorff, Bertrand, Harlan, Termini, Petersen

Returning the draft budget, City Manager Goldstein asked for clarification if Council supports the proposed per-member training budget. Council Member Termini favored assigning an amount to each member, as long as unused funds can be transferred. Assistant to the City Manager Larry Laurent confirmed that spending recently has been \$4,000 to \$5,000 annually. Council recommended doubling the proposal to \$2,000 each.

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Noreen Huber requested funding for a program to emphasize "do not litter," especially in the Village. Staff reported that the City current contracts with Hope Services for \$13,000 to provide trash clearing weekdays from June 19 through the Art and Wine Festival and Public Works shifts have been extended on weekends. Staff is still exploring options for disposing of pizza boxes.

In response to Mayor Harlan, staff confirmed the need for replacing face plates on all parking fee stations due to corrosion and to create a consistent approach in all parking areas. The oldest have been in place seven years.

Council Member Bertrand asked where the PERS (Public Employee Retirement System) income is generated, and staff responded it has funds in outside interest accounts. Most funds must remain liquid and cities have limited availability to invest. Under the new Finance Director the Finance Advisory Committee may wish to review if all of the emergency reserves need to remain as liquid.

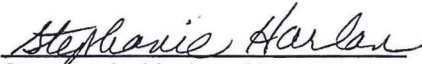
Mayor Harlan advocated for more for funding for interior City Hall improvements from the Facilities Fund, while Council Member Bottorff noted the City has made a verbal commitment to make improvements to the Community Center in order to extend its lease.

City Manager Goldstein noted that much-needed larger City Hall improvements will require future discussion and will require a strategy, while the Community Center is widely used by the public and is a priority in discussions with the school district. After discussion, the majority of Council favored allowing up to \$50,000 for interior work pending input from employees.

MOTION:	ADOPT THE REVISED PROPOSED BUDGET WITH THE RECOMMENDED TRANSFERS TO THE WHARF FUND, \$10,000 IN TRAVEL AND TRAINING FOR COUNCIL, AND \$50,000 FROM THE FACILITIES FUND FOR CITY HALL INTERIOR IMPROVEMENTS.
RESULT:	ADOPTED AS AMENDED [4 TO 1]
MOVER:	Michael Termini, Vice Mayor
SECONDER:	Jacques Bertrand, Council Member
AYES:	Jacques Bertrand, Stephanie Harlan, Michael Termini, Kristen Petersen
NAYS:	Ed Bottorff

10. ADJOURNMENT

The meeting was adjourned at 9:17 p.m.


Stephanie Harlan, Mayor

ATTEST:


Linda Fridy, City Clerk

MINUTES WERE UNANIMOUSLY APPROVED ON JUNE 22, 2017