

**CAPITOLA CITY COUNCIL COUNCIL/SUCCESSOR AGENCY
JOINT BUDGET STUDY SESSION ACTION MINUTES
WEDNESDAY, MAY 31, 2017 – 6 PM**

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Member Ed Bottorff: Present, Council Member Jacques Bertrand: Present, Mayor Stephanie Harlan: Present (arrived at 6:10 p.m.), Vice Mayor Michael Termini: Present, Council Member Kristen Petersen: Present.

Treasurer Peter Wilk was present.

2. ADDITIONAL MATERIALS - None

3. ADDITIONS AND DELETIONS TO THE AGENDA - None

4. PUBLIC COMMENT - None

5. CITY COUNCIL / SUCCESSOR AGENCY / CITY TREASURER / STAFF COMMENTS

Council Member Bertrand reported that he is attempting to work with the Regional Transportation Commission (RTC) to get support for Metro to offer free senior bus passes.

Vice Mayor Termini reminded the community that the summer concert series begins June 7.

6. CONSENT CALENDAR

MOTION:	APPROVE ALL ITEMS AS RECOMMENDED
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Ed Bottorff, Council Member
SECONDER:	Jacques Bertrand, Council Member
AYES:	Jacques Bertrand, Ed Bottorff, Michael Termini, Kristen Petersen
ABSENT:	Stephanie Harlan

A. Consider the May 17, 2017, City Council/Successor Agency Joint Meeting Minutes
RECOMMENDED ACTION: Approve minutes.

B. Consider a Resolution of Intention to Levy Business Improvement Assessments for Fiscal Year 2017-2018[140-05]
RECOMMENDED ACTION: Adopt **Resolution No. 4078** receiving the Capitola Village and Wharf Business Improvement Area Annual Report and the proposed Fiscal Year 2017-2018 Budget, and set and notice a public hearing.

Mayor Harlan arrived following the Consent Calendar vote. She requested that both the City Attorney's evaluation and contract be placed on the June 22 agenda.

7. GENERAL GOVERNMENT / PUBLIC HEARINGS

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

RECOMMENDED ACTION: Receive a presentation on the Fiscal Year 2017/18 Proposed Budget and continue budget deliberations.

City Manager Jamie Goldstein summarized the overview and discussion from the May 17 meeting. He noted the final draft will correct a \$30,000 overage error in personnel costs, which are already reduced from current year, and offered a chart outlining projected CalPERS (Public Employee Retirement System) costs. It showed a slight cost downturn near-term but increases within five years. Staff is continuing to research transitioning street sweeping to GreenWaste, which has expressed interest if it can involve multiple jurisdictions.

Council Member Termini confirmed the budget transfers previous contract expenses to new staff in Public Works. The position is budgeted for the entire year although hiring may not occur by July 1.

Public Works Director Steve Jesberg presented additional details for ongoing Capital Improvement Projects.

- Americans with Disabilities Act upgrades are underway in public facilities and programs, and roads will be the focus for the upcoming year.
- The Monterey and Park Avenue trail is designed but is encountering multi-jurisdictional challenges.
- The Stockton Avenue schematics are complete.
- Rispin path work should be finished by July. Rispin Park itself will go to bid when the path is completed, and is fully funded.
- Esplanade Park walls are still under evaluation.
- Hill Street traffic improvements are coming to Council soon.
- The green bike lanes contract has been awarded.
- The Stockton Bridge study is complete.
- 41st Avenue signal coordination came in over budget and is being reworked.
- Design of Fanmar Way improvements has been initiated.
- A pavement condition index study is underway.
- Staff has located and is working with the artist on Marine Sanctuary markers.
- Clares Street improvements are under design. Grant funds remain but most local funds were diverted to other projects. A potential Community Development Block Grant has been identified.
- Park Avenue sidewalk work should be in spring 2018.

In response to Council questions about the proposed roundabout at the Bay/Capitola Avenue intersection, Director Jesberg said utilities need to be underground first and public hearings will not be held until then. He said he has not heard specific concerns about a roundabout, just overall pedestrian safety in the intersection. That project could be eligible for a clean-air grant.

Mayor Harlan asked if the bollards on Brommer Street have been replaced and was told yes, but they are regularly hit.

Council discussed options for \$1.1 million identified by staff as discretionary remaining fund balance. Treasurer Wilk, Finance Advisory Committee chair, provided the committee's recommendations, which focused on large items: \$400,000 to PERS trust, \$200,000 for streets to show progress by fully funding slurry seal needs, and support for the proposed new housing down payment assistance fund of \$300,000 to attract and keep staff.

Individual council members each offered his or her preferred allocations. There was consensus support for increasing the PERS trust and adding to support for the library, and most members supported \$25,000 for Jade Street basketball court improvements and some level of funding for senior exercise equipment. Discussions supported allocating money to both the down payment program and senior equipment, but members asked for additional research into best practices before implementing either program.

Council members debated the merits of additional support for street programs and improvements to City Hall, both interior and to the frontage as included in the facilities line of the budget. Council Member Bottorff was adamant that since streets would have long-term funding through both the Regional Transportation Commission sales tax and increased state gas taxes, additional support was better directed elsewhere, while other members said streets are a community priority. Members also questioned the timing of doing work on City Hall, but Mayor Harlan advocated for improvements to staff offices and public bathrooms at the minimum.

Council eventually called for a vote on a compromise allotment as follows:

General Fund:

Community Center Basketball Courts	\$25,000
Senior Exercise Equipment	\$40,000
PERS Trust Fund	\$500,000
Library Fund	\$220,000
RTC Streets Fund	\$100,000
<u>Employee Housing Assistance Fund</u>	<u>\$300,000</u>
Total Extra General Fund appropriations	\$1,185,000

Facilities Reserve Fund:

City Hall Frontage Improvements	\$0
City Hall Office Improvements	\$25,000
<u>Community Center Parking Lot</u>	<u>\$75,000</u>
Total Facilities Reserve Fund	\$100,000

In related work program discussion, Council Member Bertrand asked to reestablish the recreation committee, which could aid in looking at senior equipment. Council Member Petersen supported adding youth representation to existing commissions.

Council Member Petersen also asked to keep the \$40,000 earmarked for the Grand Avenue path within Measure F projects as she meets with the community about options. The Council concurred that her meetings could result in recommendations

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to spend all or portions of that money, including additional sand studies related to the jetty.

Regarding the ongoing concerns about stability of the cliffs along upper Esplanade Park, Mayor Harlan asked if the City could sell the lower portion to the apartments above. However, that part of Esplanade Park includes property owned by the Sanitation District, which now uses city property for a pump station. Staff said that rather than exchanging ownership of the property, the agencies have reciprocal responsibility for maintenance. Stabilization discussions will continue with Crest Apartments ownership, which has a vested interest.


MOTION:	DIRECT STAFF TO ADJUST THE BUDGET TO REFLECT THE FOLLOWING ALLOCATIONS: FROM THE FUND BALANCE \$25,000 FOR BASKETBALL COURT IMPROVEMENTS, \$40,000 FOR SENIOR EXERCISE EQUIPMENT, \$500,000 FOR THE PERS TRUST, \$220,000 ADDITIONAL TO THE LIBRARY, \$100,000 ADDITIONAL TO STREETS, AND \$300,000 TO ESTABLISH AN EMPLOYEE DOWN PAYMENT PROGRAM; AND DECREASE THE FACILITIES LINE TO ALLOCATE \$25,000 FOR CITY HALL IMPROVEMENTS.
RESULT:	ADOPTED [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

8. ADJOURNMENT

The meeting was adjourned at 7:49 p.m. to the regular meeting of June 8, 2017.


Stephanie Harlan, Mayor/Chair

ATTEST:


Linda Fridy, City Clerk/Secretary

MINUTES WERE UNANIMOUSLY APPROVED ON JUNE 22, 2017