

November 23, 2010
 Capitola, California

**CAPITOLA CITY COUNCIL
 MINUTES OF A REGULAR MEETING**

**6:00 P.M. - CLOSED SESSION - CITY MANAGER'S OFFICE
 CAPITOLA REDEVELOPMENT AGENCY & CITY COUNCIL**

At 6:00 p.m. in the City Hall Council Chambers, Mayor/Chairperson Storey noted that all City Council Members/Redevelopment Agency Directors were present. He made an announcement regarding the items to be discussed in Closed Session, as follows:

CONFERENCE WITH LABOR NEGOTIATOR (Govt. Code §54957.6)

Negotiator: Jamie Goldstein, City Manager

Employee Organizations: Association of Capitola Employees, Confidential Employees, Mid-Management Group, Community Development Director, and Public Works Director

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of litigation pursuant to subdivision (c) of Government Code Section 54956.9:
 One Case

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Govt. Code §54956.9a)

Surf and Sand, LLC vs. City of Capitola

Vieira Enterprises vs. City of Capitola (Cabrillo Mobile Estates)

Los Altos/El Granada Investors vs. City of Capitola (Castle Mobile Estates)

Mayor/Chairperson Storey noted there was no one in the audience; therefore, the City Council/ Redevelopment Agency recessed at 6:02 p.m. to the Closed Session in the City Manager's Office.

CAPITOLA REDEVELOPMENT AGENCY *(See Redevelopment Agency Minutes)*

REGULAR MEETING OF THE CITY COUNCIL

Mayor Storey called the Regular Meeting of the City Council to order at 7:27 p.m. on Tuesday, November 23, 2010, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

ROLL CALL AND PLEDGE OF ALLEGIANCE

PRESENT: Council Members Ron Graves, Dennis Norton, Kirby Nicol, Robert "Bob" Begun and Mayor Sam Storey

ABSENT: None

OTHERS: City Treasurer Jacques Bertrand

STAFF: City Manager Jamie Goldstein, City Attorney John Barisone, Community Development Director Derek Johnson, Public Works Director Steve Jesberg, Chief of Police Michael Card, Assistant to the City Manager Lisa Murphy, and City Clerk Pamela Greeninger

***** PRESENTATIONS *****

**Presentation by Elizabeth Schilling, Program Director
 from Community Bridges - Live Oak Family Resource Center
 [330-30 Community Group Funding]**

PRESENTATIONS (Continued)

Elizabeth Schilling, Program Director for the Live Oak Family Resource Center, thanked the council for its support of their program and said they have served about fifty Capitola residents through this program. She discussed the creation of a new family resource center in Live Oak, which was partially funded by County Redevelopment Agency funds and would be ready for occupancy in early January.

Ms. Schilling commented on the LION grant (Leadership in our Neighborhood), as well as youth grants to provide sports for youth of the community. She discussed their work to develop a Boys and Girls Club at the Live Oak Center. Following her presentation, Ms. Schilling responded to questions of council members.

Mayor Storey thanked Ms. Schilling for her work on behalf of the Live Oak Family Resource Center and for her presentation to the council regarding this program.

1. REPORT ON CLOSED SESSION [520-25]

City Attorney Barisone said the items discussed in closed session were those items listed on the posted agenda.

City Attorney Barisone reported that council members had a few questions regarding items on the open session agenda pertaining to labor negotiations. City Manager Goldstein answered those questions.

City Attorney Barisone commented that the one item of anticipated litigation was not discussed in closed session.

City Attorney Barisone then reported that the City Council met with its legal counsel, himself and Deputy City Attorney George Kovacevich, concerning Surf and Sand LLC vs. City of Capitola, and Los Altos El Granada Investors vs. City of Capitola (Castle Mobile Estates). The Council conferred with its attorneys on those matters and took no reportable action in closed session.

City Attorney Barisone added that the matter of Vieira Enterprises vs. City of Capitola (Cabrillo Mobile Estates) was not discussed in closed session.

2. ORAL COMMUNICATIONS

A. Additions and Deletions to Agenda – None

B. Public Comments

1) Sandy Erickson, Cabrillo Street resident, commented on the 41st Avenue Donut Shop and expressed her concerns about the impact on their business when they had to move. She informed the council that the owners are veterans of the Iraq and Afghanistan wars. She commented on the location in Kings Plaza located behind Baskin Robbins. She encouraged council members to go to the 41st Avenue Donut Shop and meet the owners. It is families like this that need community support.

Council Member Begun informed Ms. Erickson that he and the Community Development Director and he met with the manager of the shopping center today.

2) Marilyn Garrett discussed comments from Elizabeth Schilling about the youth of our community. She believes the areas where children attend school should be microwave radiation free. Ms. Garrett expressed concerns about wireless internet and requested that it be removed from City Hall.

2. ORAL COMMUNICATIONS (Continued)

C. Staff Comments

1) Community Development Director Johnson alerted the city council of scoping meetings regarding the joint project between the City of Santa Cruz and Soquel Creek Water District pertaining to the proposed desalinization plans to be held on Wednesday, December 8, 2010. He discussed the scoping document and informed the council that staff will be looking at the documents to determine if there are potential impacts to the city.

2) Community Development Director Johnson announced that the city was recommended for funding to the State's Strategic Growth Council for \$100,000 to fund the integration of sustainability into the city's General Plan update. He said it is a very competitive program, and the State received over 188 applications for \$94 million in requests, with only \$23 million in available funding. He thanked Housing and Redevelopment Project Manager Foster and former City Manager Rich Hill for submitting a very thorough and comprehensive application.

Council Member Nicol asked how that money would be used, since the General Plan Fund fee was collected for the update. Community Development Director Johnson said he and the City Manager would be meeting to discuss that as the news of the grant was just received.

D. City Council/Treasurer Comments/Committee Reports

1) Council Member Norton commented on the tobacco licensing fee being looked at by the City and County of Santa Cruz, and he would like to direct staff to bring this to the council next year. City Attorney Barisone said the Santa Cruz City Council directed staff to look into this matter in light of Proposition 26. He said the city manager could keep in touch with Santa Cruz city staff's efforts in this regard.

2) Council Member Begun announced that he has a new grandson.

3) City Treasurer Bertrand said there would be no meeting of the Finance Advisory Committee in December. He also said the Finance Advisory Committee will be working with the city council on various projects in the upcoming fiscal year, including budget preparation.

E. Committee Appointments - NoneF. Approval of Check Register Report [300-10]

There was no discussion prior to the following action being taken:

ACTION: Council Member Begun moved, seconded by Council Member Graves, to approve the Check Register Reports dated November 5 and November 12, 2010, including checks numbered 64738 through 64791 in the amount of \$116,061.00, and checks numbered 64792 through 64837 in the amount of \$207,437.27, respectively; and payroll disbursements for the November 5, 2010, payroll in the amount of \$180,171.24, for a Grand Total of \$503,669.51, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None.

3. **CONSENT CALENDAR**

Mayor Storey asked if there were any items on the Consent Calendar that members of the public or the city council wished to pull for separate discussion. Council Member Graves stated that he wished to record a No vote on Items 3.I., J. and K. He suggested that perhaps in the future when a vote is split on an ordinance, the item be placed on other business.

3. CONSENT CALENDAR (Continued)

Council Member Begun commented that the council should be aware that the cash position on the City Treasurer's report (Item 3.G.) includes \$1,350,000 of Rispin funds, which is not cash.

Mayor Storey commented on Item 3.E. pertaining to the City Hall Closure resolution. He pointed out that New Year's Day holiday is not listed. He expressed concern that according to the MOU, it is a paid holiday. The item was pulled for separate discussion, and the city manager said he would work on language to add to the resolution to address Mayor Storey's concern so that the council could adopt it tonight.

Council Member Graves requested that Item 3.E. be ordered after 5.C., as he needed to recuse himself from Item 5.D. Then he could participate in the action on Item 3.E. before leaving the meeting.

Mayor Storey advised Item 3.E. would be discussed following Other Business Item 5.C. (*See discussion and action on Pages 9 and 10.*)

CONSENT CALENDAR ACTION: Council Member Graves moved, seconded by Council Member Norton, to approve the Consent Calendar as recommended, with the exception of Item 3.E., and noting that Council Member Graves voted "No" on Items 3.I., J. and K. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None.

A. Approve Reading by Title of all Ordinances and Resolutions and declare that said Titles which appear on the Public Agenda shall be determined to have been read by Title and Further Reading Waived.

ACTION: The City Council unanimously approved the reading by title of all Ordinances and Resolutions and declared that said titles which appear on the public agenda shall be determined to have been read by title and further reading waived.

B. Approve City Council Minutes – The Regular Meeting of November 10, 2010.

ACTION: Council Member Graves moved, seconded by Council Member Norton, to approve the City Council Minutes for the Regular Meeting of November 10, 2010, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None.

C. Receive Planning Commission Action Minutes for the Special Meeting of November 18, 2010. [740-50]

ACTION: Council Member Graves moved, seconded by Council Member Norton, to receive the Planning Commission Action Minutes for the Special Meeting of November 18, 2010, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None.

D. Receive and Approve the 2011 Meeting Schedules for the City Council/Redevelopment Agency and for the Planning Commission/ Architectural and Site Review Committee. [520-40]

ACTION: Council Member Graves moved, seconded by Council Member Norton, to receive the 2011 City Meeting Schedules for the City Council/Redevelopment Agency and the Planning Commission/ Architectural and Site Review Committee as an informational item, as submitted, and directed staff to post this information at City Hall, the Capitola Branch Library, on the City's website, and to provide copies to City staff, newspapers, and various groups who regularly submit items to the City. The motion carried on the following vote: AYES: Council Members Graves, Storey, Nicol, Norton, and Mayor Begun. NOES: None. ABSENT: None. ABSTAIN: None.

3. CONSENT CALENDAR (Continued)

E. Adopt Resolution Establishing Days for Closure of City Offices during the 2011 Calendar Year.

This item was pulled for separate discussion. *(See discussion and action on pages 9 and 10 following Item 5.C.)*

F. Adopt Resolution Repealing Resolution No. 3726 and Adopting a revised Conflict of Interest Code for the City of Capitola to become effective January 1, 2011. [570-20]

ACTION: Council Member Graves moved, seconded by Council Member Norton, to adopt **Resolution No. 3839, Resolution Repealing Resolution No. 3726 and Adopting a revised Conflict of Interest Code for the City of Capitola to become effective January 1, 2011**, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Storey, Nicol, Norton, and Mayor Begun. NOES: None. ABSENT: None. ABSTAIN: None.

G. Receive City Treasurer's Report for the month ended October 31, 2010 (Unaudited). [380-30]

ACTION: Council Member Graves moved, seconded by Council Member Norton, to accept the City Treasurer's Report for the Month Ended October 31, 2010 (Unaudited), as submitted. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None.

H. Authorize the recruitment and hiring of a Maintenance Worker and an hourly Administrative Assistant to the Art & Cultural Commission. [650-05]

ACTION: Council Member Graves moved, seconded by Council Member Norton, to authorize the recruitment and hiring of a Maintenance Worker and an hourly Administrative Assistant to the Art & Cultural Commission, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None.

I. Adopt Ordinance Repealing Ordinance No. 937 in its entirety and Amending Section 17.27.060 of the Capitola Municipal Code pertaining to Conditional Uses in the CC - Community Commercial Zoning District by adding Paragraph V. to Allow Mixed Use Residential Development with Limitations. [2nd Reading] [730-85 Zoning/740-30 LCP/740-40 General Plan]

(Note: Prior to action being taken on the Consent Calendar, Council Member Graves said he would be voting no on this item.)

ACTION: Council Member Graves moved, seconded by Council Member Norton, to adopt **Ordinance No. 949, Ordinance Repealing Ordinance No. 937 in its entirety and Amending Section 17.27.060 of the Capitola Municipal Code pertaining to Conditional Uses in the CC - Community Commercial Zoning District by adding Paragraph V. to Allow Mixed Use Residential Development with Limitations**, as submitted. The motion carried on the following vote: AYES: Council Members Norton, Nicol, Begun, and Mayor Storey. NOES: Council Member Graves. ABSENT: None. ABSTAIN: None.

J. Adopt Ordinance Repealing Ordinance No. 942 in its entirety and Adding Chapter 17.20 to Title 17 of the Capitola Municipal Code pertaining to an Affordable Housing Overlay (AHO) District, and adding Section 17.46.150 to the CZ-Coastal Zone Combining District to require consistency with the Local Coastal Program and Coastal Act. [2nd Reading] [730-85 Zoning/740-30 LCP/740-40 General Plan]

(Note: Council Member Graves said he would be voting no on this item.)

3. J. CONSENT CALENDAR (Continued)

ACTION: Council Member Graves moved, seconded by Council Member Norton, to adopt **Ordinance No. 950, Ordinance Repealing Ordinance No. 942 in its entirety and Adding Chapter 17.20 to Title 17 of the Capitola Municipal Code pertaining to an Affordable Housing Overlay (AHO) District, and adding Section 17.46.150 to the CZ-Coastal Zone Combining District to require consistency with the Local Coastal Program and Coastal Act**, as submitted. The motion carried on the following vote: AYES: Council Members Norton, Nicol, Begun, and Mayor Storey. NOES: Council Member Graves. ABSENT: None. ABSTAIN: None.

K. Adopt Resolution Authorizing the City Manager to Submit to the California Coastal Commission for Certification Amendments to the Local Coastal Program to create an Affordable Housing Overlay District and Modification of the Community Commercial Zoning District to Allow Mixed-Use Residential Development with Limitations. [740-30 LCP]

(Note: Prior to action being taken on the Consent Calendar, Council Member Graves said he would be voting no on this item.)

ACTION: Council Member Graves moved, seconded by Council Member Norton, to adopt **Resolution No. 3840, Resolution Authorizing Submittal to the California Coastal Commission for the Certification of Amendments to the Local Coastal Program to Create an Affordable Housing Overlay District and Modification of the Community Commercial Zoning District to Allow Mixed-Use Residential Development with Limitations**, as submitted. The motion carried on the following vote: AYES: Council Members Norton, Nicol, Begun, and Mayor Storey. NOES: Council Member Graves. ABSENT: None. ABSTAIN: None.

L. Adopt Resolution Authorizing Design, Community & Environment (DC&E) to receive and examine Sales and Use Tax Records and selected Transient Occupancy Tax and Business License Information. [390-40 Business License/ 390-70 Sales Tax & TOT/ 500-10 A/C: Design, Community & Environment]

ACTION: Council Member Graves moved, seconded by Council Member Norton, to adopt **Resolution No. 3841, Resolution Authorizing Design, Community & Environment (DC&E) to Receive and Examine Sales and Use Tax Records and selected Transient Occupancy Tax and Business License Information**, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Storey, Nicol, Norton, and Mayor Begun. NOES: None. ABSENT: None. ABSTAIN: None.

4. PUBLIC HEARINGS – None

5. OTHER BUSINESS

A. Approve Employee Agreements and Memoranda of Understanding with the following department heads/employee groups for the period January 1, 2011, through June 30, 2012. [600-10]

Assistant to the City Manager Murphy discussed the negotiated agreements between the various employee groups and with Public Works Director Steve Jesberg and Community Development Director Derek Johnson for an 18-month period, January 1, 2011, through June 30, 2012, as detailed in the written agenda reports. Assistant to the City Manager Murphy responded to questions of council members.

Council Member Norton thanked Assistant to the City Manager Murphy and City Manager Goldstein for their negotiating efforts.

5. A. OTHER BUSINESS (Continued)

Mayor Storey wished to thank the City staff for foregoing a COLA in light of the current economic times, saying it demonstrates the professionalism of our staff.

Council Member Graves commented on the reduction of vacation accruals; however, he thinks vacation is important, and future councils should continue to work on this language.

Council discussion was followed by this action:

ACTION: Council Member Nicol moved, seconded by Council Member Norton, to approve Items 5.A. 1) through 5), as submitted. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None. *(NOTE: Although there was one motion and vote for all items, the motion, action and vote are recorded under each item below.)*

1) Community Development Director's Employment Agreement. [600-10/500-10 A/C: Johnson, Derek]

ACTION: Council Member Nicol moved, seconded by Council Member Norton, to approve the First Amendment to the Employment Agreement for Community Development Director Derek Johnson effective January 1, 2011 through June 30, 2012, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None.

2) Public Works Director's Employment Agreement. [600-10/500-10 A/C: Jesberg, Steve]

ACTION: Council Member Nicol moved, seconded by Council Member Norton, to approve the Fifth Amendment to the Employment Agreement for Public Works Director Steve Jesberg effective January 1, 2011 through June 30, 2012, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None.

3) Resolution Adopting a Memorandum of Understanding with the Association of Capitola Employees Bargaining Unit for a Term Expiring June 30, 2012. [600-10]

ACTION: Council Member Nicol moved, seconded by Council Member Norton, to adopt **Resolution No. 3842, Resolution Approving a Memorandum of Understanding with the Association of Capitola Employees (ACE) Bargaining Unit effective January 1, 2011 through June 30, 2012**, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None.

4) Resolution Adopting a Memorandum of Understanding with the Confidential Employees Bargaining Unit for a Term Expiring June 30, 2012. [600-10]

ACTION: Council Member Nicol moved, seconded by Council Member Norton, to adopt **Resolution No. 3843, Resolution Approving a Memorandum of Understanding with the Confidential Bargaining Unit effective January 1, 2011 through June 30, 2012**, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None.

5. A. OTHER BUSINESS (Continued)

5) Resolution Adopting a Memorandum of Understanding with the Mid-Management Employees Bargaining Unit for a Term Expiring June 30, 2012. [600-10]

ACTION: Council Member Nicol moved, seconded by Council Member Norton, to adopt **Resolution No. 3844, Resolution Approving a Memorandum of Understanding with the Mid-Management Bargaining Unit effective January 1, 2011 through June 30, 2012**, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None.

B. Resolution creating the General Plan Advisory Committee (GPAC) and defining its term and charge. [740-40]

Community Development Director Johnson summarized the written agenda report and discussed the provisions contained in the draft resolution creating the General Plan Advisory Committee and staff's recommendation to adopt the proposed resolution. He responded to questions of council members pertaining to the ground rules, make-up of the committee, how neighborhoods were determined, question regarding the appointment of alternates, if applicants need to be residents or if they could they be business owners of an area, etc.

Council discussion was followed by this action:

ACTION: Council Member Norton moved, seconded by Council Member Graves, to adopt **Resolution No. 3845, Resolution Creating the General Plan Advisory Committee (GPAC) and Defining its Term and Charge**, as submitted, and directed staff to recruit for members to serve on the General Plan Advisory Committee. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None.

Community Development Director Johnson commented that he would like council members to decide which area each council member would like to oversee by completing neighborhood interviews and making a recommendation to the council regarding appointment of that neighborhood representative to the General Plan Advisory Committee. There was concern that the two newly-elected members would need to determine an area.

Council Member Norton suggested the following: Termini – Village; Norton – East Capitola; Nicol - Jewel Box; Storey - Depot Hill; and Harlan – West Capitola.

ACTION: It was the consensus of the City Council to approve the suggested council member oversight areas as follows:

Depot Hill Neighborhood (Sam Storey)
 Jewel Box Neighborhood (Kirby Nicol)
 East Capitola Neighborhood (Dennis Norton)
 West Capitola Neighborhood (Stephanie Harlan)
 Upper and Lower Village Neighborhood (Michael Termini)

5. OTHER BUSINESS (Continued)

C. Adoption of Model Building Codes. [1st Reading] [570-10]

Community Development Director Johnson summarized the written agenda report and responded to questions of council members.

Council discussion was followed by this action:

ACTION: Council Member Graves moved, seconded by Council Member Begun, to pass the proposed Ordinance Amending Section 15.04.010 of the Capitola Municipal Code pertaining to Adoption of Model Codes to a second reading, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None.

AT THIS POINT, ITEMS REMOVED FROM CONSENT CALENDAR WILL BE CONSIDERED

3. CONSENT CALENDAR (*Items pulled for separate discussion.*)**E. Adopt Resolution Establishing Days for Closure of City Offices during the 2011 Calendar Year. [630-10]**

City Manager Goldstein displayed new language for the draft resolution on the overhead projector for council consideration. Additional language was added to the end of the "Now, Therefore" paragraph prior to the list of holidays to say, "...unless otherwise noted." Also, the following was added to the list of holidays:

"December 31, 2010 (Friday) 2011 New Years Day"

ACTION: Council Member Nicol moved, seconded by Council Member Graves, to adopt **Resolution No. 3846, Resolution Establishing Days for Closure of City Offices During the 2011 Calendar Year**, as revised to include December 31, 2010 as 2011 New Years Day holiday. The motion carried on the following vote: AYES: Council Members Graves, Storey, Nicol, Norton, and Mayor Begun. NOES: None. ABSENT: None. ABSTAIN: None.

5. REGULAR BUSINESS (Continued)

D. City Hall, Pacific Cove, and Beulah property parking reconfiguration. [200-05 City Hall Adm/260-10 Pacific Cove Mobile Home Park Adm]

Council Member Graves recused himself on this item as he lives within 500 feet of the project. He left the meeting at 8:55 p.m.

Public Works Director Jesberg summarized the written agenda report and reviewed staff's recommendations. He and Community Development Director Johnson responded to questions of council members.

At 9:19 p.m. Mayor Storey asked if any members of the public wished to address the council on this item. No one spoke.

ACTION: Council Member Nicol moved, seconded by Council Member Norton, to take the following recommended actions:

5. D. REGULAR BUSINESS (Continued)

1. Authorized the Department of Public Works to restripe the Pacific Cove and the City Hall parking lots to relocate all required accessible parking to the City Hall parking lot, and make the determination that this striping project is categorically exempt pursuant to Sections §15061 (b) (3) and §15301 of the California Environmental Quality Act;
2. Directed the Department of Public Works to install parking meters on the newly created regular parking spaces in the Pacific Cove parking lot;
3. Directed staff to prepare proposed revisions to the Capital Improvement Program to include the construction of a Police Department vehicle parking lot and storage area on the Beulah Property located at 426 Capitola Avenue; and
4. Directed staff to prepare proposed revisions to the Capital Improvement Program to include the construction of a modular office building on the City Hall parking lot for the Parking Enforcement Officers and Information Technology staff, moving them from the leased space at 411 Capitola Avenue.

Under discussion of the motion, Mayor Storey said it is premature to go beyond Phase 1 at this time, and he believes there should have been more noticing to the residents. He expressed concerns regarding Phases 2, 3 and 4 and said he would be in favor of Phase 1 only.

Council Member Norton said this would be coming back to the Council. Public Works Director Jesberg noted that funding and contracts would come back for approval, and a Coastal Development Permit application will also go to the Coastal Commission for approval.

The motion carried on the following vote: AYES: Council Members Norton, Nicol, and Begun. NOES: Mayor Storey. ABSENT: None. ABSTAIN: None. DISQUALIFIED: Council Member Graves.

6. COUNCIL/STAFF COMMUNICATIONS

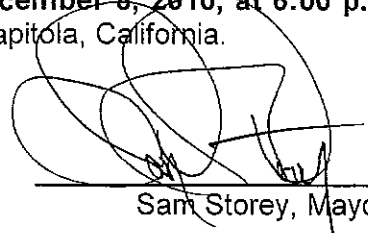
City Manager Goldstein acknowledged Council Member Graves and Council Member Begun for their service to the city and wished them well.

Mayor Storey wished to acknowledge the last regular meeting of the City Council that Council Member Begun would participate. Mayor Storey commented that he has learned a lot from Council Member Begun during his service as elected City Treasurer and Council Member and thanked him for commitment to the city.

Council Member Norton commented that there are very few decisions he has made as a council member that he regrets; however, one that slipped by him recently is the Fairfield Hotel. He commented on the impact of the project to the neighbors behind the building and believes the building should have been stepped toward the front. Council Member Norton asked if staff knew when the hotel would be open. City Manager Goldstein said he would check into it inform the council members.


7. **ADJOURNMENT**

Mayor Storey wished everyone a Happy Thanksgiving holiday. On black Friday, he encouraged everyone to Shop Capitola. The City Council adjourned at 9:25 p.m. to a Special Meeting of the City Council regarding the November 2, 2010, General Municipal Election Results to be held on **Wednesday, December 8, 2010, at 6:00 p.m.**, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.



Sam Storey, Mayor

ATTEST:



Pamela Greeninger, MMC
Pamela Greeninger, City Clerk

MINUTES WERE APPROVED AS SUBMITTED BY THE CITY COUNCIL ON 1/13/2011 WITH COUNCIL MEMBERS HARLAN AND TERMINI ABSTAINING