

**CAPITOLA CITY COUNCIL  
REGULAR MEETING ACTION MINUTES  
THURSDAY, APRIL 25, 2013**

**CLOSED SESSION – 5:30 PM  
CITY MANAGER’S OFFICE**

**CALL TO ORDER**

Mayor Harlan called the meeting to order at 5:30 p.m. and announced the items to be discussed in Closed Session, as follows:

**CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Govt. Code § 54956.8)**

Property: McGregor Drive, APN 036-341-02 (City of Capitola, Owner)  
City Negotiator: Public Works Director  
Negotiating Parties: City and Soquel Creek Water District  
Under Negotiation: Real Property Lease/Sale

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

1. Schroedel et al. v. the City of Capitola [Santa Cruz Superior Court, Case No. CV 175684].
2. City of Capitola et al. v. Lexington Insurance Company [United States District Court, Northern District of California, Case No. 5:12-CV-03428-LHK].

**CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
(Significant Exposure to litigation pursuant to subdivision (b) of Govt. Code §54956.9)**

**Two potential cases:**

1. Surf and Sand Mobile Home Park
2. DeWitt Code Enforcement

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

City Council’s Performance Evaluation of the City Attorney

Mayor Harlan noted that there was no one in the audience; therefore, the City Council recessed at 5:35 p.m. to the City Manager’s Office.

**REGULAR MEETING OF THE CAPITOLA CITY COUNCIL – 7:00 PM**

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

Council Members Dennis Norton, Sam Storey, Ed Bottorff, Michael Termini and Mayor Stephanie Harlan

**2. PRESENTATIONS**

- A. Introduction of Richard Grunow, the new Community Development Director. [600-10]

City Clerk Sneddon provided the oath of office to Mr. Grunow.

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- B. Certificate of appreciation to Karen Nevis who served on the Art and Cultural Commission. [120-40] – Certificate received.
- C. Presentation from the Capitola Public Safety Foundation to the Police Department to support the Police Canine Program, and contribution to the Baker and Butler Fund. [485-10/480-53]

Bruce Arthur, Capitola Safety Foundation President, presented a check in the amount of \$3,500 to Police Chief Escalante for the Police Canine Program; the funds will help cover some of the costs associated with the post mandated canine training. In addition, he presented a check to Police Chief Escalante in the amount of \$3,000 as a contribution to the Butch Baker and Elizabeth Butler Scholarship Fund.

### 3. REPORT ON CLOSED SESSION [520-25]

City Attorney Barisone stated that the City Manager provided an update regarding the McGregor Drive property negotiations with the Soquel Creek Water District; no reportable action was taken. The Council received a status report from Assistant City Attorney Paterno regarding existing litigation related to Schroedel et al. v. the City of Capitola; no reportable action was taken. Mr. Barisone stated that the City reached a settlement with Lexington Insurance Company in relation to the March 2011 pipe failure claim; the settlement amount is \$1,350,000 (\$1,145,000 remaining after attorney fees) . The Council received a status report regarding the potential litigation in relation to the following: (1) Surf and Sand Mobile Home Park; and (2) the DeWitt Code Enforcement; no reportable action was taken. The City Attorney's performance evaluation was not discussed due to time constraints.

### 4. ADDITIONS AND DELETIONS TO AGENDA (none provided)

### 5. PUBLIC COMMENTS

Margaret Kinsler, Capitola Village Residents' Association (CVRA) representative, provided an update regarding the CVRA.

Marilyn Garrett, local resident, stated she opposes wireless technology.

The following local residents spoke against the pending monthly rent increase at Capitola Gardens:

Ruth Seidel  
Janice Ahle  
Rebecca Harris  
Phung-Tran  
Mary Anderson  
Tim Noonan  
Goran Klepic

Sandy Erickson, local resident, requested that curbs in front of all the entrances to Cortez Park be painted red because vehicles block the entrance.

### 6. COUNCIL/STAFF ANNOUNCEMENTS

Council Member Norton stated that the monthly public beach cleanup at Capitola Beach and Soquel Creek will be on Saturday, May 18<sup>th</sup> starting at 10 a.m.

Council Member Termini stated that he attended the Santa Cruz County Chapter of the American Red Cross Heroes Breakfast on May 15, 2013.

Mayor Harlan stated that the Monterey Bay National Marine Sanctuary Symposium will be held on April 27<sup>th</sup> (9 a.m. to 3:30 p.m.) at the Monterey Bay's California State University Center.

**7. BOARDS, COMMISSIONS AND COMMITTEES APPOINTMENTS (none provided)**

**8. CONSENT CALENDAR**

**ACTION Motion made by Council Member Termini, seconded by Council Member Storey, to approve the Consent Calendar. The vote was unanimous.**

- A. Consideration of approving the City Council Minutes of the Regular Meetings of March 28, 2013, and April 11, 2013; and the Special Closed Session of April 11, 2013.
- B. Approval of City Check Register Reports dated March 22, 2013; March 29, 2013; April 5, 2013; and April 12, 2013. [300-10]
- C. Approval of the 2012 Capitola Art & Cultural Commission Annual Report. [1010-60]
- D. Consideration of a Resolution designating the period of time a vehicle may be parked within Zone A (Village Area), Zone A1 (Cliff Drive Area), and Zone B (Pacific Cove Parking Lot). [470-30/470-40]
- E. Consideration of authorizing the Police Department to complete a radio system upgrade utilizing the State Supplemental Law Enforcement Services Fund (SLESF), and increase budget expenditures in the amount of \$39,700 for Fiscal Year 2012/2013. [330-05/330-10/370-40]

**9. GENERAL GOVERNMENT/PUBLIC HEARINGS**

- A. Presentation by the Santa Cruz Water Department and the Soquel Creek Water District regarding the proposed Regional Seawater Desalination Project. [1160-10]

Bill Kocker (Santa Cruz Water Department Director) and Taj Dufour (Soquel Creek Water District General Manager) presented the proposed Regional Seawater Desalination Project.

Bruce Daniels, Soquel Creek Water District Board Vice President, stated the necessity for the proposed Regional Seawater Desalination Project. He also stated that there will be a free workshop regarding how to re-use grey water at your residential property on May 18-19.

- B. Approval of plans, specifications, and the engineer's estimate for the construction of the 2013 Capitola Slurry Seal Project utilizing Measure 0 funds; and authorization to advertise for bids. [940-60]

**ACTION Motion made by Council Member Termini, seconded by Council Member Storey, to approve the plans, specifications, and the engineer's estimate for the construction of the 2013 Capitola Slurry Seal Project utilizing Measure 0 funds; and authorization to advertise for bids. The vote was unanimous.**

- C. Consideration of an Ordinance amending Section 18.02.070 of the Capitola Municipal Code pertaining to Affordable (Inclusionary) Housing Regulations [1st Reading]; and approve assets limit when calculating income eligibility. [750-10]

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**ACTION** Motion made by Council Member Norton, seconded by Council Member Termini, to approve the first reading of an Ordinance amending Section 18.02.070 of the Capitola Municipal Code pertaining to Affordable (Inclusionary) Housing Regulations; and to approve the total assets of a household to be less than one and one-half times the annual household income limit for that unit. The vote was unanimous.

**10. COUNCIL/STAFF COMMUNICATIONS**

City Manager Goldstein stated that the California State Department of Finance has rejected the City's appeal of the Due Diligence Review (DDR) findings. The DDR sought to claw back \$50,000 of payments. The City will have to pay this amount.

Council Member Norton requested that the benches be re-installed at Peery Park (City Manager Goldstein stated that a report regarding Peery Park will be provided at the next City Council meeting).

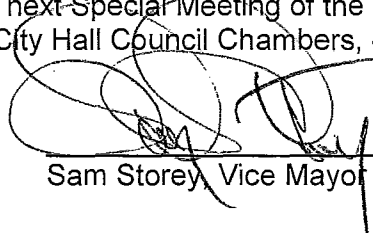
Police Chief Escalante stated that the Police Department will be conducting a drug take-back-day on Saturday, April 27<sup>th</sup>, from 10 a.m. to 2 p.m.

Council Member Bottorff requested that the City Council direct the City's Traffic and Parking Commission to explore, analyze and recommend pay station expansion for the following streets: Cherry Avenue; San Jose Avenue; Park Place; Stockton Avenue; portion of Capitola Avenue from the trestle to Monterey Avenue. He also requested that the City Council direct the Traffic and Parking Commission to research and make recommendations for the parking time period and rate increases and decreases in the following areas: Village, Cliff Drive and upper and lower Pacific Cove property. He stated that the purpose is to generate revenue and to open space for residents.

**11. CITY COUNCIL/TREASURER COMMENTS/COMMITTEE REPORTS (none provided)**

**12. ADJOURNMENT**

Mayor Harlan adjourned the meeting at 9:30 p.m. to the next Special Meeting of the City Council on Thursday, May 9, 2013, at 7:00 p.m., in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

  
Sam Storey, Vice Mayor

ATTEST:

  
Susan Sneddon, City Clerk CMC

**MINUTES WERE UNANIMOUSLY APPROVED ON MAY 9, 2013**