

**CAPITOLA CITY COUNCIL
REGULAR MEETING ACTION SUMMARY
JANUARY 24, 2013 - 7:00 PM**

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

CALL TO ORDER

Mayor Harlan called the meeting to order at 5:30 PM and announced 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: Capitola Police Officers Association and Capitola Police Captains.

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

1. City of Capitola, et al. vs. Lexington Insurance Company [United States District Court, Northern District of California, Case No. 5:12-cv-03428-LHK];
2. Kevin Calvert, D.D.S. and Pamela Calvert vs. the City of Capitola, et al. [Superior Court of the State of California for County of Santa Cruz, Case No. CV 172804];
3. Katie Saldana vs. the City of Capitola, et al. [Superior Court of the State of California for the County of Santa Cruz, Case No. CV 172324];
4. Truck Insurance vs. the City of Capitola, et al. [Superior Court of the State of California for the County of Santa Cruz, Case No. CV173071];
5. David Ross; Carousel Taffy Morro Bay, Inc.; Village Mouse dba; The Thomas Kinkade Gallery Capitola; Judith Ferro vs. the City of Capitola, et al. [Superior Court of the State of California for the County of Santa Cruz, Case No. CV 173642];
6. American Alternative Insurance Corporation; Central Fire Protection District of Santa Cruz County vs. the City of Capitola, et al. [Superior Court of the State of California for the County of Santa Cruz, Case No. CV173926];
7. California Capital Insurance Company vs. the City of Capitola, et al. [Superior Court of the State of California for the County of Santa Cruz, Case No. CV173552];
8. Trustees of the John T. Kawahara and Barbara J. Kawahara Revocable Trust vs City of Capitola, et al. [Superior Court of the State of California for the County of Santa Cruz, Case No. CV175216];
9. Schroedel et al. vs. the City of Capitola, et al. [Santa Cruz Superior Court Case No. CV 175684].
10. Foremost Insurance Company vs. the City of Capitola, et al. [Superior Court of the State of California for the County of Santa Cruz, Case No. CV 173228].

CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Govt. Code §54956.9:

1. County of Santa Cruz regarding the Noble Gulch pipe failure;
2. County of Santa Cruz — Property Tax Administrative Fee Dispute;

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3. State of California – California State Department of Finance regarding pro-rated share of interest on City/Redevelopment Agency loans.

LIABILITY CLAIMS (Govt. Code §54956.95)

Claimant: Joseph Hughes

Claimant: Liberty Mutual; subrogee of Elizabeth Boyens

Agency claimed against: City of Capitola

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

PRESENT: Council Members Norton, Storey, Bottorff, Termini, and Mayor Harlan

ABSENT: None

2. PRESENTATIONS

- A. Presentation by Monica Martinez, Homeless Services Center Executive Director. [330-30]

Presentation was received.

3. REPORT ON CLOSED SESSION

City Attorney Barisone announced that no reportable action was taken during the special and regular closed sessions. [520-25]

4. ADDITIONS AND DELETIONS TO AGENDA

Mayor Harlan stated that **Item 9.A.** will be continued for a procedural reason.

Mayor Termini requested that a discussion regarding modifications to the City's Planned Development District in the Capitola Municipal Code (Section 17.39) be agendized for a future City Council Meeting.

City Manager Goldstein noted that **Item 9.A.** will go back to a Planning Commission meeting in March 2013.

City Attorney Barisone stated that any changes to the City's Planned Development District in the Capitola Municipal Code (Section 17.39) will need to first be reviewed by the Planning Commission prior to coming to the City Council.

5. PUBLIC COMMENTS

Bart Davidson requested clarification regarding an amendment to the Planned Development District in the Capitola Municipal Code.

Charles Huddleston provided support for **Item 9.A.** regarding the 1575 38th Avenue Planned Development Rezoning Project.

Marilyn Garrett, local resident, spoke against wireless radiation.

Nels Westman, Capitola Village Residents Association (CVRA) member, presented a CVRA communication regarding the General Plan Advisory Committee. He stated additional time is needed to allow for more public comment regarding the City's General Plan Update.

Lewis Feinman, CVRA member, provided comments regarding the City's General Plan Update process.

6. COUNCIL/STAFF ANNOUNCEMENTS

Council Member Norton, Santa Cruz County Regional Transportation City representative, provided an update regarding the Highway 1 Construction Project.

Public Works Director Jesberg presented slides showing completed work at the Noble Gulch Pipeline Repair Project.

7. BOARDS, COMMISSIONS AND COMMITTEES APPOINTMENTS

Note: Appointments were made under General Government/Public Hearings Item 9.E.

8. CONSENT CALENDAR

Council Member Norton requested that Item 8.B. be pulled for discussion.

- A. Receive Planning Commission Action Minutes for the Regular Meeting of January 17, 2013. [740-50]
- B. Approval of City Check Register Reports dated December 7, 2012; December 14, 2012; December 21, 2012; January 4, 2013; and January 11, 2013. [300-10]
- C. Consideration of denying liability claims and forward to the City's liability insurance carrier: (1) Joseph Hughes for an undetermined amount; and (2) Liberty Mutual; subrogee of Elizabeth Boyens in the amount of \$965.54. [Claims Binder]
- D. Receive the Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2012. [310-20]
- E. Consideration of authorizing the City Manager to recruit and hire a Maintenance Worker I/II position in the Public Works Department. [650-05]

ACTION Motion made by Council Member Termini, seconded by Council Member Norton, to approve the Consent Calendar with the exception of Item 8.B. The motion was passed unanimously.

The City Council took separate action on the following Consent Calendar item (Item 8.B.):

Approval of City Check Register Reports dated December 7, 2012; December 14, 2012; December 21, 2012; January 4, 2013; and January 11, 2013.

ACTION Motion made by Council Member Termini, seconded by Council Member Bottorff, to approve Item 8.B. The motion was passed unanimously.

9. GENERAL GOVERNMENT/PUBLIC HEARINGS

- A. 1575 38th Avenue #12-028 (APN: 034-181-17) [730-10]
Planned Development Rezoning, Conditional Use Permit, and Design Permit to demolish a commercial salvage yard (Capitola Freight and Salvage) and construct a three-story, 23-unit residential senior housing project in the CN (Neighborhood Commercial) Zoning District. Environmental Determination: Mitigated Negative Declaration. Property Owner: Maureen A. Romac, filed 3/2/12. Representative: Steve Thomas

This item is continued to a future City Council meeting.

- B. Community Based Health and Human Services Providers Program Fiscal Year 2013/2014 application acceptance. [330-30]

Council Member Storey stated that, due to a conflict of interest, he will recuse himself from participating on Item 9.B. because he is the CEO of Community Bridges which is a recipient of the City of Capitola Community Programs. Voting on this item would be a conflict of interest. He left the dias.

Will O'Sullivan, Human Care Alliance representative, stated concerns regarding allowing new agencies to apply for the existing Community Based Health and Human Services Providers Program for Fiscal Year 2013-2014.

ACTION Motion made by Council Member Termini, seconded by Council Member Norton, to allow a new agency or organization to apply for the existing Community Based Health and Human Services Providers Program for Fiscal Year 2013-2014. The motion carried with the following vote: AYES: Council Members Norton, Bottorff, Termini, and Mayor Harlan. NOES: None. ABSENT: None. ABSTAIN: Council Member Storey.

Council Member Storey returned to the dias.

- C. Consideration of authorizing the City Manager to enter into a contract with Aha! Consulting to update the City's website. [160-80/500-10 A/C: aHa Consulting]

There was Council direction to staff to contact other local government agencies to find out if they use a pre-built web system; if such a system exists, staff may choose a similar system at a lower cost to the City.

ACTION Motion made by Council Member Termini, seconded by Council Member Norton, to authorize the City Manager to enter into a one-year agreement with Aha! Consulting in the amount not to exceed \$4,000 for web hosting/design services and for staff to contact other local government agencies to find out if a lower cost options exists. The motion carried unanimously with the following vote: AYES: Council Members Norton, Storey, Bottorff, Termini, and Mayor Harlan. NOES: None. ABSENT: None. ABSTAIN: None.

- D. Consideration of a recommendation by the Capitola Art & Culture Commission regarding whether or not to accept the proposed public art donation from Troy "TJ" Welch for additional sea wall tiles. [1010-10]

TJ Welch, local resident, provided support for the proposed public art donation.

ACTION Motion made by Council Member Termini seconded by Council Member Norton, to approve the acceptance of the proposed public art donation from Troy “TJ” Welch for additional sea wall tiles. The motion carried unanimously with the following vote: **AYES:** Council Members Norton, Storey, Bottorff, Termini, and Mayor Harlan. **NOES:** None. **ABSENT:** None. **ABSTAIN:** None.

E. Consideration of appointments to the Advisory Council on the Area on Aging, Traffic and Parking Commission, and the General Plan Advisory Committee (GPAC) and discussion regarding organizational structure of the Commission on the Environment (COE). [110-10]

Mayor Harlan stated that appointments to the Advisory Council on the Area on Aging and the Traffic and Parking Commission will be continued.

General Plan Coordinator Westman suggested that Jacques Bertrand, the former Finance Advisory Committee representative on the GPAC, be re-appointed to the GPAC to maintain continuity.

ACTION Motion made by Council Member Termini, seconded by Mayor Harlan, to appoint Ed Newman as the Upper and Lower Village representative, and re-appoint Jacques Bertrand to the GPAC. The motion carried unanimously with the following vote: **AYES:** Council Members Norton, Storey, Bottorff, Termini, and Mayor Harlan. **NOES:** None. **ABSENT:** None. **ABSTAIN:** None.

ACTION Motion made by Council Member Termini seconded by Mayor Harlan, to suspend the COE for a period of six months to one year; to encourage COE members and citizens to meet privately to draft a COE restructuring plan; and to keep Kristin Sullivan, COE member, as a GPAC member. The motion carried unanimously with the following vote: **AYES:** Council Members Norton, Storey, Bottorff, Termini, and Mayor Harlan. **NOES:** None. **ABSENT:** None. **ABSTAIN:** None.

10. **COUNCIL/STAFF COMMUNICATIONS** (None provided)

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

12. **ADJOURNMENT**

Mayor Harlan adjourned the meeting at 9:20 p.m. to the next Regular Meeting of the City Council on Thursday, February 14, 2013, at 7:00 PM, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.


Stephanie Harlan, Mayor

ATTEST:


Liz Nichols, Deputy City Clerk

MINUTES WERE UNANIMOUSLY APPROVED ON MARCH 14, 2013